

# HOUSE BILL REPORT

## SB 6367

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### As Reported by House Committee On: Capital Budget

**Title:** An act relating to publicly owned industrial wastewater treatment facilities.

**Brief Description:** Concerning publicly owned industrial wastewater treatment facilities.

**Sponsors:** Senators Honeyford, Cleveland, Warnick and Walsh.

#### **Brief History:**

##### **Committee Activity:**

Capital Budget: 2/19/18, 2/26/18 [DP].

#### **Brief Summary of Bill**

- Authorizes Water Pollution Control Revolving Fund loans for publicly owned industrial wastewater treatment facilities that reduce the burden on a municipal treatment facility.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 19 members: Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye, Eslick, Kraft, MacEwen, Macri, Morris, Reeves, Riccelli, Ryu, Sells, Steele, Stonier, Volz and Walsh.

**Staff:** Melissa Palmer (786-7388).

#### **Background:**

##### Wastewater Treatment Facilities.

Wastewater treatment facilities are facilities or systems for the control, collection, storage, treatment, disposal, or recycling of wastewater. Wastewater includes sanitary sewage, storm water, residential, commercial, industrial, and agricultural wastes that cause water quality degradation due to concentrations of pollutants. Wastewater must be treated before it can be discharged into a water of the state.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Water Pollution Control Financing.

The Water Pollution Control Revolving Fund Loan program was established by Congress under the federal Clean Water Act. Known also as the Clean Water State Revolving Fund (CWSRF) program, it is managed by the Department of Ecology (DOE). The CWSRF program provides low-interest loans to cities, counties, and special purpose districts including ports, federally recognized Indian tribes, and other public bodies, to plan, design, construct, and improve water pollution control facilities, such as wastewater treatment plants, sewers, and storm water control projects. The CWSRF program receives funding primarily from four sources: loan repayments; an annual capitalization grant from the Environmental Protection Agency; a required 20 percent state match to the federal grant; and interest earnings on State Treasury investments.

Approximately \$157 million was provided for combined sewer overflow projects, wastewater treatment facilities, reclaimed water projects, and repairs to sewer connections during the 2013-15 biennium. State and federal laws do not specifically prohibit funding of industrial wastewater treatment facilities. However, under DOE rules, wastewater pollution control facilities that are solely industrial are ineligible for CWSRF loans. As reflected in rule, the DOE policy is to focus on providing low-interest loans and grants to systems that primarily address residential need.

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**Summary of Bill:**

The DOE may make loans to publicly owned industrial wastewater treatment facilities that reduce the burden on a municipal wastewater facility.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The Port of Moses Lake is in the process of building a railroad to connect to the mainline. It is working to accommodate the needs of increased economic development that is estimated to support about 800 to 1,000 employees. Rural ports have limited access to capital. Ports are not eligible for funding through the Public Works Assistance Account. The City of Pasco has worked with stakeholders and sought funding through other sources including the Public Works Assistance Account. There is a need for additional funding and this bill would allow access to another financing source.

(Opposed) None.

**Persons Testifying:** Chelsea Hager, City of Pasco; Bruce Beckett, Port of Moses Lake; and Scott Caver, City of Quincy.

**Persons Signed In To Testify But Not Testifying:** None.