

Meeting Minutes

Drinking Water Advisory Group Monday, February 23, 2015

Location: Kent, WA with video conference to Shoreline, Spokane, and Tumwater
Time: 9:00 am – 12:30 pm

1. Clark Halvorson: **Welcome and emerging issues**

- Brian Walsh is our new Policy and Rules Manager.
- Derrick Dennis is our new Water Quality Manager.
- *Strategic plan:*
 - The Office of Drinking Water (ODW) Leadership Team reviewed our strategic plan for the next two years.
 - We are looking at performance metrics to assess potential changes and progress.
- *Group A Rule revision:*
 - We received comments from stakeholders on our proposed Group A Rule revision and appreciate your participation and feedback.
 - Continue to engage in discussions with interested parties for the next few months before final recommendations for changes are released.
- *Total Coliform Rule extensions:*
 - We received formal approval for a two-year extension for the Total Coliform Rule.

2. ODW and Department of Ecology (Ecology) – **Legislative updates**

- Clark – ODW
 - *HB 1464 and SB 5251 – DWSRF Grant Program*
 - Switching our funding from Department of Commerce (Commerce) to ODW.
 - We have testified in four hearings.
 - Heard great conversations and support for Commerce and SBOH.
 - It was voted out of House Environmental Health Committee immediately.
 - *HB 1933–2061 – Address Group B Rule (Sponsored by Short and Kretz)*
 - Discussion about ODW taking away people’s water rights by not allowing changes to Group B water systems.
 - The rule transfers responsibility from us to Local Health.
 - Was voted unanimously out of committee.
 - *SB 5018 – Underground storage recovery*
 - Many of our water systems to discuss and participate with ASR.
 - Bill doesn’t address reclaimed water.
 - *HB 1793 – Instream flows and alternative water supplies (trucked water and rain water catchment)*
 - We are not currently allowing much trucked water and rainwater catchment.
 - Before allowing people to rely on trucked water and rainwater catchment, we make sure a well can’t be drilled and they can’t connect to a public water system.

- *SB 6035*
 - Bill protects transfer of funds by setting limits during the 2015-2017 and 2017-2019 fiscal biennia.
- *HB 1959 – Changes composition of the Public Works Board*
 - Establish policies and procedures designed to manage the public works assistance account to ensure sustainability of the account.
 - Implementation of policies and procedures designed to maximize local government use of federal funds to finance local infrastructure projects.
 - It requires preconstruction and construction loans that fund projects involving repair, replacement, or improvement of public works facilities.
- *Strong Drinking Water State Revolving Fund (DWSRF) program and Public Works Board*
 - Loaned \$85 million with half of eligible projects left untouched.
 - Many utilities at max bonding.
- **Don Seeburger – Ecology’s Water Quality Program**
 - Major push in the Water Quality Program to add a waterpower licensing fee.
 - Fees paid for new 401 certifications and tried to remove the sunset clause.
 - Instead Ecology is going to step back a year and put together restructuring fees.
 - *SB 5274 – Administrative Rule*
 - Suggests taking general permit and making it a proposed rule.
 - Will cause new permits to stall out the door and hold new committees.
 - *HB 1635 – Public Works Board (Public Works) assistance account*
 - Can’t take money out of this account.
 - Clause is federal match money for DWSRF.
 - Restricts Ecology from receiving match money from Public Works funding.
 - One of Ecology’s biggest source of revenues from gas tax are going down.
 - Modified their projections by at least 50 percent. Funding here and how budget plays out is critical.
 - *SB 5018 – Aquifer storage and recovery:*
 - Ecology went an extra step to resolve water quantity issues.
- **Dave Christensen – Ecology’s Water Resources Program**
 - *HB 1187 & SB 5014 – Establishes water banking best practices act (Kittitas/Clallam County):*
 - Prevents counties from subsidizing water for people.
 - *SHB 1793 – Litton bill: Alternative water systems or supplies*
 - Bill for alternative water systems or supplies for potable water, ordinance, and information requirements and rights procurement.
 - The bill is focused on changing the discussion about instream flow rules.
 - *SHB 1836 – Drought*
 - Addresses the modernization of drought statutes and drought preparedness measures.
 - Check options before drought is declared.
 - Stance of paying a little bit to save a lot long-term.

- *SB 5129 – Management of waters*
 - Bill concerning the overriding considerations of public interest in management of waters in the state.
 - Deals mainly with instream and out-of-stream uses.
 - Bill is faced with opposition; chance of it passing is low.
- *SB 5965*
 - Evaluating mitigation options for impacts to base flows and minimum instream flows.
 - Bill proposes a study to evaluate options for mitigating the effects of permit exempt groundwater withdrawals, on-base flows, and minimum instream flows.
 - Bill passed out of committee, supported by all, including the Swinomish Tribe.
- *SB 5298*
 - Bill proposes a municipal owner of foreign water discharged to the Nooksack River to claim and divert up to an equal quantity of water annually from the Nooksack River without satisfying laws governing water appropriation if certain conditions are met.

3. Joe Crossland – Department of Health: **DWSRF Transition Update**

- Preconstruction grants:
 - Originally \$305,000 for 2015.
 - Saw a demand of \$1.6 million.
 - Working to fund up to \$512,000.
- The President’s budget request for fiscal year 2016 provides:
 - \$1.186 billion for the DWSRF.
 - \$1.116 billion for the Clean Water State Revolving Fund.
- We currently have a fund utilization rate of 135 percent.
 - This is the highest fund utilization rate of any program in the U.S.
- Net operating income (loss) for DWSRF:
 - Fiscal year 2014 = \$1,041,721
 - Fiscal year 2013 = \$486,608
 - Fiscal year 2012 = \$2,597,721
 - Fiscal year 2011 = \$9,362,000
- HB 1464 & SB 5751 address transfer of DWSRF Loan Program from Commerce to us.
- Legislation has been through policy committees in both chambers with bi-partisan support.
- Stakeholder support includes Commerce and Washington Public Utility Districts Association.
- Fiscal committee support – bills on both sides have been scheduled for executive session on February 23rd.
- There is a Memorandum of Understanding currently in draft form.
- We have developed several teams to guide transition:
 - Staffing: We will be adding staff soon to assist water systems with preconstruction grants and loans.
 - Information technology, accounting, contracting, loan transition, and communications teams are forming.

4. Scott Torpie – Department of Health: **Needs Assessment**

- *What is the Needs Assessment?*
 - The drinking water infrastructure needs survey and assessment is a 20-year forecast of capital spending on water system infrastructure construction, rehabilitation, and replacement necessary to meet the public health goals of the Safe Drinking Water Act.
 - The U.S. Environmental Protection Agency (EPA) requires states to complete the Needs Assessment every four years.
 - The EPA selected 55 of Washington’s community water systems to participate in the 2015 survey.
 - Selected systems include the 11 “large” systems in our state (defined as a community water system with a total population over 100,000) and a statistical sampling of “medium” systems (defined as a community water system where the total population falls between 3,301 and 100,000).
 - The aggregate capital improvement needs for our state will be determined by adding up the following:
 - Each large system needs.
 - Medium size system needs calculated by the defined needs of each surveyed system multiplied by the sampling weight assigned to that system. Medium-sized systems in this year’s sampling pool have statistical weights ranging from two to nine.
 - Past Needs Assessment cost data for small systems and noncommunity systems, updated to 2015 costs.
 - For the past 18 years, Congress appropriated funds to capitalize the National DWSRF.
 - Last year, EPA distributed \$884 million in DWSRF funds to states and Washington State received \$19.7 million (2.23 percent of the national total).
 - Based on 2011 Needs Assessment data, EPA calculated the capital improvement needs of Washington’s Group A public water systems through the year 2031 at \$9.5 billion.
 - The final 2011 Needs Assessment report prepared by the EPA can be viewed at http://water.epa.gov/grants_funding/dwsrf/upload/epa816r13006.pdf
- *Why is the Needs Assessment important to all of Washington’s water utilities?*
 - Washington’s share of the National DWSRF appropriation will be determined by our share of the 2015 updated national 20-year need.
 - A small change in Washington’s share of the national need makes a big difference in how much we have available to loan to water utilities.
 - In the 2007 Needs Assessment, Washington’s need was 2.55 percent of the national need; in 2011 that value declined to 2.23 percent.
 - Had Washington maintained its 2007 share, we would have received over \$3 million more per year from the EPA to loan to Washington’s public water systems.
 - An accurate and complete needs assessment will result in more money available to water systems.
 - Our success in working with participating utilities to identify every allowable 20-year capital expenditure directly affects how much money we will have available to loan during the next four-year period and beyond.

- We know it’s important to make as much money as possible available to our water utilities to help them meet mounting capital investment needs.
- In the last DWSRF loan cycle, we were able to fund 60 percent of the loan amount requested.
- We are committed to do all we can to ensure utilities have access to the capital funding they need to ensure delivery of safe and reliable drinking water to the people of Washington.
- *Why is the Needs Assessment important to ODW?*
 - We use a portion of our annual DWSRF capitalization grant to fund our operations.
 - Each year we “set aside” a portion of our annual capitalization grant to meet the public health goals of the Safe Drinking Water Act. These funds provide us with flexibility to respond to the changing needs of water utilities.
 - We’ve used this money to:
 - Develop statewide source water protection mapping and data storage capabilities.
 - Fund our source water protection, preconstruction, and consolidation/feasibility study grant programs.
 - Pay third-party technical assistance contractors.
 - Fund our treatment optimization program.
 - Pay the salaries of staff and buy equipment.
 - Support Local Health Jurisdictions working on our behalf.
 - Examples include:
 - Subsidize sanitary survey costs
 - Technical assistance
 - Special purpose investigations
 - Emergency response
- *Our goal and strategy*
 - Our goal is to collect information about all allowable infrastructure costs from participating utilities in the most efficient and least disruptive manner possible.
 - Over 80 percent of the utilities participating in the 2015 Needs Assessment also participated in the 2011 Needs Assessment.
 - Our goal with these systems is to update their 2011 information.
 - We will need to invest more time to develop baseline information for the seven utilities that did not participate in 2011.
 - Our strategy to work with participating utilities includes:
 - Assign a main point-of-contact to each water utility, and request the utility assemble records. Please contact your regional manager for this information.
 - Communicate by phone and in writing and request the utility assemble records. Please contact your regional manager for a summary of information we need utilities to assemble.
 - Placing participating utilities into three groups and will then complete data collection from utilities in each group within a two-month period (April-May, June-July, or August-September).
 - Meet at the utility and collect inventory and project information.
 - Update 2011 Needs Assessment survey information (for systems that participated in 2011).
 - Assemble inventory information and project documentation, confirm with the utility, and submit to the EPA.

- Project schedule
 - The EPA will not allow states to begin working with utilities until April.
 - The survey must be complete by the end of November 2015.
 - Communicate with each participating utility in writing and by phone by March 15.
 - Complete site visits by staff within the assigned two-month period. Please contact your regional manager for a complete list of systems that will be surveyed.
 - Complete survey documentation, confirm information with utility, and submit to the EPA within two months after site visit.

5. **Open Mic**

6. Clark: **Queuing up the next meeting**

- Hope to start a conversation about emerging issues.
- *Ideas:*
 - Drought
 - Fluoridation (State Board of Health)
 - Legislative and rule updates
 - Drinking Water Week awards
 - Updates on Needs Assessment surveys

Next meeting:

Monday, May 4, 2015

1:30 to 4:30 p.m. (**please note time change**)