

RESOLUTION NO. 14 -947

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING A PWTF LOAN APPLICATION FOR THE ½
MILLION GALLON RESERVOIR RECOAT**

WHEREAS, the City has been planning to recoat the ½ million gallon water reservoir recoat (1/2 MG Reservoir Recoat) off the south end of Bott's Drive and has included the project in the City's capital improvement plan, and

WHEREAS, the City is eligible for a Public Works Trust Fund Loan and was successful in a previous application that was cut because of state budget short falls, and

WHEREAS, Public Works Trust funds will be available in July of 2015 and eligible costs can be reimbursed from September 1st, 2014 on; and

WHEREAS, the City can spread the cost of the tank painting project out over 10 years rather than the 5 years allowed with an inter-fund loan thus improving the water departments finances, and

WHEREAS, the repayment of the Public Works Board 2016 Construction loan funding requires adequate revenue to meet debt service; and

WHEREAS, the City's consultant is recommending a phase 1 of the project that will provide the pumps and controls that will allow for the tank to be drained, inspected and painted. The phasing of the project will push the painting portion of the project till next year anyway;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to sign and submit a Public Works Trust Fund loan application for ½ MG Reservoir Recoat to the state.

Section 2. The City agrees to maintain adequate revenue streams sufficient to provide funds to pay all system operating expenses and debt repayments during the term of the loan.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 15TH DAY OF MAY, 2014.

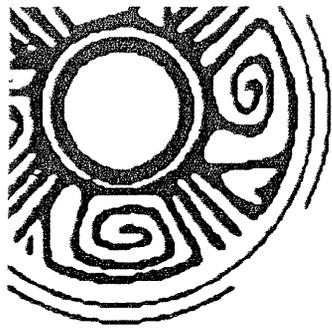
CITY OF BLACK DIAMOND:

Carol Benson
Dave Gordon, Mayor

Carol Benson, Mayor pro tem

Attest:

Brenda L. Martinez
Brenda L. Martinez, City Clerk



Washington State Public Works Board Construction Loan Application

**FUNDS AVAILABLE ONLY UPON GOVERNOR AND
2015 LEGISLATURE APPROVAL FOR THE 2016
FISCAL YEAR STARTING:**

JULY 1, 2015

<p>Eligible Jurisdictions</p>	<ul style="list-style-type: none"> ▪ Counties, Cities, and Towns ▪ Water Districts ▪ Sewer Districts ▪ Public Utility Districts ▪ Other Districts (excluding Tribes, Ports, and School Districts)
<p>Eligible Systems</p>	<ul style="list-style-type: none"> ▪ Domestic Water ▪ Sanitary Sewer ▪ Storm Water ▪ Solid Waste and Recycling ▪ Roads and Streets ▪ Bridges
<p>How to Apply</p>	<ul style="list-style-type: none"> ▪ Hardcopy application (this Word file) – submit this form, also found at www.pwb.wa.gov/

	<p>Due Date: Postmarked or Delivered on or before</p>	<p>Maximum Amount per Jurisdiction per Biennium</p>	<p>Hardcopy Application Submittals</p>
<p>Construction</p>	<p>May 16, 2014 6PM PST</p>	<p>\$7,000,000</p>	<p>Submit one signed original and a CD with the application in Microsoft Word format</p>

Mail/Ship/Hand Deliver to:
Public Works Board
1011 Plum Street South East
PO Box 42525
Olympia WA 98504-2525
360.725.3153

For more information on the Public Works Board's loan programs and for the **Construction Loan Application Guidelines**, please visit the Public Works Board's website at www.pwb.wa.gov.

APPLICATION REQUIREMENTS/CHECKLIST

Items that will cause the application to be rejected

Questions? – Contact your Regional Service Coordinator (RSC)
<http://www.pwb.wa.gov/public-works-board/board-staff/Pages/default.aspx>

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Counties, cities, and towns, must have imposed the one-quarter of one-percent REET as allowed by RCW 82.46.010(2). Full list: http://dor.wa.gov/Docs/forms/RealEstExcsTx/RealEstExTxRates.pdf
<input type="checkbox"/> Yes	<input type="checkbox"/> No	For Sanitary Sewer projects that include side-sewer, applicant must adopt an ordinance or resolution declaring such activities will benefit the jurisdiction's sanitary sewer systems including a payback mechanism. <i>See page 9 of the Guidelines for full details.</i> Attach copy of ordinance to application materials if applicable.
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	(Sanitary Sewer and Drinking Water projects only) a. Was this project included on the recommended for funding 2014 Construction Loan List?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	b. If the answer to <u>a.</u> is "no," was this project submitted to either the Department of Health (Drinking Water) or the Department of Ecology (Sanitary Sewer)?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	c. Has this project been <i>fully</i> funded by either the Department of Health or the Department of Ecology? <i>Please contact your RSC if you've answered No to items a. or b.</i>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Has the Applicant Certification Form been read and <i>signed</i> by the appropriate authority? Attach original signed document to the application materials due May 16, 2014. This must be signed in order for the application to be accepted for review.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Has the applicant adopted a policy to reduce greenhouse gas emissions? If NO, attach a copy of the policy with the application materials. Title of Policy: <u>materials attached</u> Adoption Date: _____ If submitted to the Public Works Board in prior years, this requirement <i>has been met.</i> Submitted in prior years? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Is a copy of the resolution whereby your governing body acknowledges the need to maintain adequate revenue streams sufficient to provide funds to pay all system operating expenses and debt repayments during the term of the loan attached? <i>See page 21 for an example.</i> Attach a copy of the resolution to application materials. ATTACH THE POLICY: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Items/Actions to ensure a complete application

<input checked="" type="checkbox"/>	Have you read the Application Guidelines? This document contains all the necessary information to assist you in applying for a construction loan. To download the current Application Guidelines go to www.pwb.wa.gov .
<input checked="" type="checkbox"/>	Have all questions applicable to your type of system been answered? Unanswered questions receive no points. Submitted information will be verified by Public Works Board staff.
<input checked="" type="checkbox"/>	Have you verified the accuracy of the Project Cost <u>sum</u> and the Project Funding <u>sum</u> ? These figures must match and accurately reflect the sum of the costs and the sum of the funding.
<input checked="" type="checkbox"/>	Is all relevant documentation (i.e., proof of other funding sources, regulatory orders, moratoriums, etc.) attached?
<input checked="" type="checkbox"/>	Have you made a copy, including all attachments, of the final, signed application package <u>for your records</u> ?
<input checked="" type="checkbox"/>	Applications and modifications (additions, removals, and substitutions) are allowed until: 6PM PST, May 16, 2014. After that time, no further changes will be accepted.

TABLE OF CONTENTS

SECTION 1: GENERAL APPLICANT INFORMATION.....	1
PRIMARY SYSTEM AFFECTED BY THIS PROJECT (check only one)	1
GENERAL APPLICANT INFORMATION	1
LEGISLATIVELY REQUIRED INFORMATION:.....	1
GPS COORDINATES – Project Site (http://www.gps-coordinates.net).....	2
MEASURES OF FISCAL CAPACITY	2
RATE BASED SYSTEMS ONLY	3
SECTION 2: PROJECT INFORMATION.....	4
PROJECT DESCRIPTION	4
PROJECT'S SCOPE OF WORK.....	4
REQUIRED PERMITS (LOCAL, STATE, AND FEDERAL)	4
PROJECT SCHEDULE.....	5
PROJECT COSTS	5
PROJECT FUNDING	6
SECTION 3: PROJECT NEED AND SOLUTION.....	8
PROJECT CATEGORY	9
GENERAL PROJECT NEED QUESTIONS.....	10
SYSTEM-SPECIFIC QUESTIONS.....	11
NEED AND SOLUTION NARRATIVE STATEMENT	12
SECTION 4: LOCAL MANAGEMENT EFFORT	13
LOCAL MANAGEMENT EFFORT (In the last 5 years).....	13
STEWARDSHIP OF WASHINGTON'S NATURAL RESOURCES (RCW 70.235.070) (In last 12 months).....	14
APPLICANT CERTIFICATION	15
CERTIFICATION BY PREPARER OF APPLICATION	16
SAMPLE DRAFT RESOLUTION	17

SECTION 1: GENERAL APPLICANT INFORMATION

Public Works Board Construction Loan Application

PRIMARY SYSTEM AFFECTED BY THIS PROJECT (check only one)

Domestic
Water

GENERAL APPLICANT INFORMATION

1.1	Applicant (Legal Name)	City of Black Diamond													
1.2	Federal Tax ID #	9	1	-	6	0	1	6	2	0	4				
1.3	Statewide Vendor Number and Suffix	S	W	V	0	0	1	9	0	8	1	-	0	0	
1.4	Administrative office – Street Address	24301 Roberts Drive													
	Mailing Address – (if different from street)	PO Box 599													
	City	Black Diamond													
	State	WA	Zip	9	8	0	1	0	-	0	5	9	9		
1.5	County	King													
1.6	Legislative District of Project Area http://app.leg.wa.gov/districtfinder/	5					Congressional District of Project Area http://app.leg.wa.gov/districtfinder/					8			
	Applicant's Contact Person	Scott Hanis													
1.7	Title	Public Works Administrative Assistant													
	Mailing Address –	PO Box 599													
	City	Black Diamond													
	State	WA	Zip	9	8	0	1	0	-	0	5	9	9		
	Telephone	360-886-5700													
	Email	shanis@ci.blackdiamond.wa.us													
1.8	Project Title	0.5 MG Water Tank Repainting													
1.9	Loan Request	\$170,000													
1.10	Total Project Cost	\$199,000													

LEGISLATIVELY REQUIRED INFORMATION:

1.11	Does applicant jurisdiction (cities and counties only) have guidelines to process development permit requests? AND Does applicant jurisdiction abide by the guidelines set for processing permits? The guidelines should include:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
	<ul style="list-style-type: none"> The length of time between permit application submission and permit decision The information necessary to make a complete permit application A written explanation for denying a permit application, if applicable 			
Review section 1(2), Chapter 231, 2007 Laws of 2007 See page 960 of the PDF (or page 952 of paper document). http://www.leg.wa.gov/CodeReviser/documents/sessionlaw/2007pam1.pdf				

GPS COORDINATES – Project Site (<http://www.gps-coordinates.net>)

1.12	Latitude (decimal degrees):	47.309238			Longitude (decimal degrees):	-121.989527			
N	<input checked="" type="checkbox"/>	Degrees:	Minutes:	Seconds:	N	<input type="checkbox"/>	Degrees:	Minutes:	Seconds:
S	<input type="checkbox"/>	<u>47</u> °	<u>18</u> ′	<u>33.2568</u> ″	S	<input checked="" type="checkbox"/>	<u>-121</u> °	<u>59</u> ′	<u>22.2966</u> ″

MEASURES OF FISCAL CAPACITY

The next series of questions is intended to establish the level of the applicant's fiscal capacity to incur debt.

1.13	Has the applicant experienced severe fiscal distress resulting from a natural disaster (e.g., Governor declared emergency) or emergency public works need in the past 12 months? If Yes, describe below. <i>(Not a scored question, but the Board may take this into consideration during deliberation of the construction loan list as a balancing factor.)</i>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	The event(s):		
	When occurred:		
	Fiscal distress caused:		

RATE BASED SYSTEMS ONLY

THE RESPONSE MUST ADDRESS THE PRIMARY SYSTEM IDENTIFIED AT THE TOP OF THE APPLICATION. This information will assist the Board in evaluating the applicant system's financial capacity to incur debt. Please use system specific financial data to complete this section.

The data will be used to calculate the ratio of debt, cash, and capital per capita. (Max 4 points)

1.14	Number of people in jurisdiction: 4,160	Number of people served by the system in 2013: 2,237	Percentage of people in the system affected by this project: 16%
	Total operating revenue for the system in 2013.		\$526,730
	Total operating expenses for the system in 2013.		\$375,705
	Total outstanding debt for the system in 2013.		\$3,465,050
	Cash and cash equivalents (deposits and all cash investments including restricted assets) for the system in 2013.		\$732,118
	Value of land and capital assets, net of depreciation (construction in progress, building, machinery and equipment, infrastructure, and other improvements) for the system in 2013. (For those using Asset Management, not depreciation, enter annual value.)		This is not tracked by the City.

THE RESPONSE MUST ADDRESS THE PRIMARY SYSTEM IDENTIFIED AT THE TOP OF THE APPLICATION. This information will assist the Board in evaluating the applicant system's source of revenue. The data will be used to calculate the percent of monthly household income dedicated to utility services. (Max 10 points)

1.15	Number of Equivalent Residential Units (ERUs) in system.	1,146	
	List the average monthly rate per ERU assuming 1,000 cubic feet (also known as 10 CCF or 7,480 gallons)	Year	Rate
		2009	\$37.16
		2010	\$37.16
		2011	\$42.71
		2012	\$42.71
	2013	\$49.08	
1.16	Describe short- and long-term fiscal management strategies, which the applicant jurisdiction uses to maximize its ability to finance the system described in this application.		
	<i>If there have been no increases in the rates over the last five (5) years, explain how the fiscal management strategies make it possible for the system to maintain service without increased revenues. (Max 1 point)</i>		
	The City passed a 15% rate increase in 2013 with subsequent 15% increases in 2014 (which has taken effect) and 2015. New connections and rate revenues in the next few years will help fill the gap, otherwise further rate increases may be necessary.		
1.17	What will be the <i>estimated</i> average residential customer's monthly rate upon project completion?	\$64.87	

SECTION 2: PROJECT INFORMATION

PROJECT DESCRIPTION

2.1 In 150 words or less, please describe the project to be completed. (Not scored)

This project involves the cleaning and painting of the City's 0.5 MG Water Tank as well as measures to keep water customers in water service and fire flow during the process.

PROJECT'S SCOPE OF WORK

2.2 Describe in detail all the activities required to complete this project.

This should include only the contract deliverables, e.g., number of feet and size of pipe to be laid, etc. The activities listed here will be incorporated into the loan contract should this project be selected for funding. Do not use this section to explain the problem.

The activities listed here must correspond with the 1) project schedule, 2) project costs, and 3) project funding. (Maximum of 4,000 characters including letters, spaces, and punctuation –

1 page with 1 inch margins and 61 lines is approximately 4,000 characters. SEE GUIDELINES)

(Not scored. Used as reference material in conjunction with schedule, costs, funding, and permitting.)

This project will be for spot treatment of the water tank, inside and out, and painting of the entire tank, inside and out. Temporary pumps and controls will be installed prior to draining the tank in order to ensure that customers are not without water during the painting process (while the tank is empty).

Design work is underway for the first phase of the project to install the interim pumping system. The City will be covering costs for some design work and all other work prior to this loan taking effect. The first phase of work will be completed in 2014 with the painting (second phase) taking place in the summer of 2015.

REQUIRED PERMITS (LOCAL, STATE, AND FEDERAL)

2.3 List permits required for the proposed project and indicate status of each permit (e.g., applied for, pending, issued, etc.) If no permits are required, explain why not. Needs to correspond with Question 4.1 Readiness-to-Proceed. Attach additional pages if more than five (5) permits are needed for the project. For assistance with permitting requirements, contact the Office of Regulatory Assistance or go to <http://www.ora.wa.gov>. (This section is not scored, but will be cross-referenced with Readiness-to-Proceed section and may impact scoring associated with Readiness-to-Proceed.)

Permit	Expected Date Submitted	Expected Date Issued or Received	Status
1. DOH Approval	August 2014	August 2014	Not started
2. Puget Sound Air Quality	February 2015	March 2015	Not started
3.			
4.			
5.			
If no permits are required, please explain why not.			

PROJECT SCHEDULE

2.4 Indicate the month and year when the activities were or will be completed. Schedule should clearly correspond to Question 4.1 Readiness-to-Proceed in the Local Management Effort section.
(Project Schedule is not scored, but will be cross-referenced with Readiness-to-Proceed and may impact scoring associated with Readiness-to-Proceed.)

Activity	Current Status	% Complete	Completion Date (Mo/Yr)
Engineering Report	In process	20	07/2014
Cultural and Historical Resources Review (Section 106 or Executive Order 05-05) ¹	Not applicable		
Environmental Review	Not applicable		
Land/Right-of-Way Acquisition	Not applicable		
Permits	Incomplete	0	03/2015
Public Involvement/Information	Complete	100	02/2014
Bid Documents	Incomplete	0	09/2014
Award Construction Contract	Incomplete	0	09/2014
Construction Start	Incomplete	0	09/2014
Construction Complete	Incomplete	0	08/2015
Project in Use	Incomplete	0	10/2014
Investment Grade Efficiency Audit (if applicable):	Not applicable		
Other:			
Other:			

PROJECT COSTS

2.5 The Total Estimated Project Cost must equal the Total Project Funding in Question 2.6.
The Project Costs table will become a part of the loan contract, should this project be approved for funding.
(This section is not scored, but will be cross-referenced with the Readiness-to-Proceed section and may impact scoring associated with Readiness-to-Proceed.)

Cost Category	Amount
Engineering Report	\$30,000
Cultural and Historical Resources Review (Section 106 or Executive Order 05-05) ¹	\$0
Environmental Review	\$0
Land/Right-of-Way Acquisition	\$0
Permits	\$0
Public Involvement/Information	\$0
Bid Documents	\$5,000
Construction	\$140,000
Other Fees (Sales or Use Taxes)	<i>Included in costs</i>
Contingency (10%)	<i>Included in costs</i>
Investment Grade Efficiency Audit (if applicable):	\$0
Other: Inspection	\$5,000
Other: Project Management	\$19,000
TOTAL ESTIMATED PROJECT COST	\$199,000

¹ The EO 05-05 requires recipients of state funds to consult with interested parties (i.e., Department of Archaeology and Historic Preservation, and Tribes) prior to starting project construction. For Construction loans, this consultation should take place as early as possible, in order to avoid delays in starting the project construction. If you have questions regarding this process, please contact Heather Youckton at (360) 725-2744 or email her at Heather.Youckton@commerce.wa.gov.

PROJECT FUNDING

2.6 The Total Project Funding must equal the Total Estimated Project Cost in Question 2.5.

Please state the status of the project's funding sources as follows:

- Funds are **Planned** for if they are found in a formally adopted Capital Facilities Plan.
- Funds are **Applied** for if a formal application has been submitted to a funding source, and the funding source considers that application or funding request as having been submitted (attach notification from funder that application has been received).
- Funds are considered **Awarded** if a formal notice of approval for the funds is in place from the funding source (attach letter from funder or contract number). Local revenue must be in an approved budget to be considered in-hand.

(This section is not scored but will be checked for accuracy and cross-referenced with the Readiness-to-Proceed section.)

Type of Funding	Identify Source ²	Amount	Status (Planned, Applied, Awarded, etc.)	Contract/Reference Number
Grants (State/Federal Agency or Organization) – Non Match				
Grant #1		\$		
Grant #2		\$		
Grant #3		\$		
Total Grants		\$		
Prior Pre-Construction Loans from the Public Works Board – Non Match				
Non-Match Loan #1		\$		
Non-Match Loan #2		\$		
Total Prior Pre-Construction Loans		\$		
Loans (State, Federal, Private Agency or Organization)				
This Construction Loan Request	Public Works Board	\$170,000	Proposed	
Other Loan #1		\$		
Other Loan #2		\$		
Total Loans		\$		
Local Revenue (Rates, General Fund, Levies, Reserves, Assessments, ULID, LID, etc.)				
Local Revenue #1	City of Black Diamond	\$29,000	Budgeted	
Local Revenue #2		\$		
Local Revenue #3		\$		
Total Local Revenue		\$		
Other Funds				
Other Funds #1		\$		
Other Funds #2		\$		
Total Other Funds		\$		
TOTAL PROJECT FUNDING		\$199,000		

² If federal funds are included in the project-funding package, the project is subject to the federal Section 106 Cultural Historic Requirements. If you have questions regarding this process, please contact Heather Youckton at (360) 725-2744 or email her at Heather.Youckton@commerce.wa.gov.

2.7	Are there any constraints on the identified funding sources in Question 2.6 Project Funding? If yes, please explain. <i>(Not scored)</i>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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2.8 Indicate with a Y/N below which of the following financing options have been attempted for this project and provide dates of those attempts.

Please describe whether the attempt was successful, and if not, why not. If an option has not been attempted, please explain why. *(Not scored)*

Bond issuance		Local improvement district		Applications for federal or state funding		Applications for private funding	
Attempted?	N	Attempted?	N	Attempted?	Y	Attempted?	N
Date(s) of attempts:		Date(s) of attempts:		Date(s) of attempts:		Date(s) of attempts:	
				May 2013			
				March 2013			
Successful?	Y / N	Successful?	Y / N	Successful?	N	Successful?	Y / N
If not attempted, why was this option not feasible?		If not attempted, why was this option not feasible?		If not attempted, why was this option not feasible?		If not attempted, why was this option not feasible?	
Upfront bond initiation costs are too high for this small project.		This project will not provide a property value increase and therefore will not meet the bond test for Local Improvement Districts.				This project would not generate interest from private funders unless it was a high interest loan. The City could fund the project with an interfund loan but the term of 5 years presents a hardship to ratepayers.	

SECTION 3: PROJECT NEED AND SOLUTION

This section includes a series of questions related to the need for the project and the proposed solution to the problem. Have thorough and complete responses.

Attach any verifying information if necessary to clarify the degree of the problem (i.e., regulatory orders, negotiated letters of agreement, etc.).

This is the applicant's opportunity to state the problem and its impact on the community.

The information below states the Program's priorities, which are used to recommend projects for funding.

- The program priority in which the project falls,
- Need assessment,
- How well the situation is documented, and
- How well the proposed solution addresses the problem.

Program Priorities:	1. Public health and safety
	2. Environmental health
	3. Economic Development/ Smart Growth

Assessing Need:	SEVERE SITUATION – or – CHANCE OPPORTUNITY	<ul style="list-style-type: none"> • Project is to fix systems that have failed, are in imminent danger of failing, and/or are currently out of regulatory compliance (under an active regulatory order). • An economic opportunity has presented itself provided that the local government improves infrastructure to take advantage of the opportunity.
	MODERATE	<ul style="list-style-type: none"> • The project is being done to meet emerging regulatory requirements and/or the project is being done to bring a non-compliant (but not under regulatory order) system up to existing standards. • Local government is improving the local business climate for future business expansion.
	POTENTIAL/ PREVENTATIVE	<ul style="list-style-type: none"> • Project is necessary for the repair or replacement (end of lifecycle). • Project is being done to enable potential opportunities for growth and/or economic development and/or smart growth principles.

Supporting Documentation:	SEVERE SITUATION – or – CHANCE OPPORTUNITY	<ul style="list-style-type: none"> • Court orders • Official regulatory orders • Negotiated agreement with an external agency • A letter of commitment/intent from a business
	MODERATE	<ul style="list-style-type: none"> • External agency is driving the project/timeline • Project specific formal studies and/or reports (either from an internal or external source) • A letter of interest from a business
	POTENTIAL/ PREVENTATIVE	<ul style="list-style-type: none"> • Internal monitoring • Awareness of a problem

Proposed Solution:	SEVERE SITUATION – or – CHANCE OPPORTUNITY	<ul style="list-style-type: none"> • Solution clearly solves the problem • Solution clearly maximizes the opportunity
	MODERATE	<ul style="list-style-type: none"> • Solution does not solve the entire problem or fully leverage the opportunity
	POTENTIAL/ PREVENTATIVE	<ul style="list-style-type: none"> • Solution does not directly address the problem or take advantage of the opportunity

PROJECT CATEGORY

3.1	For the applicant's primary system, as selected at the top of this application, identify the sub-category that is most affected by the proposed project. Check only one. (Max 8 points; the Board may take this into consideration during deliberation of the construction loan list as a balancing factor.)							
Domestic Water	8 points	6 points	4 points	2 points	1 point	1 point	1 point	1 point
	<input type="checkbox"/> Treatment	<input type="checkbox"/> Primary Supply or Source	<input type="checkbox"/> Secondary Supply or Source	<input checked="" type="checkbox"/> Storage or Reservoir	<input type="checkbox"/> Transmission	<input type="checkbox"/> Distribution	<input type="checkbox"/> Telemetry or Equipment	<input type="checkbox"/> Conservation or Other

GENERAL PROJECT NEED QUESTIO

The answers to Questions 3.2 through 3.7 must relate to the primary system as identified at the top of the application. Be thorough and complete when responding. (Max 52 points; scoring will be derived from the responses to Questions 3.2-3.28)

3.2	How old are the components being corrected by the project? <i>Example: 40 years old</i> 28 years old (built in 1986)	What are the component materials and what are they made of? <i>Example: asbestos cement pipes</i> Steel	What is the condition of the system components, which are being corrected by the project? <i>Example: Deteriorating; they crumble when flushed for routine maintenance.</i> Deteriorating/rusting. Still able to treat without sandblasting.
3.3	What are the impacts the existing situation has, or will have, on the system's operation and expenses, if this project is not completed? The water system has other needs that will not be taken care of as this project is the priority. The City will have to do an interfund loan to finance the project but have to pay back those loans in five years, which would create large annual expenses.		
3.4	What are the impacts the existing situation has, or will have, on the environment and/or endangered species, if this project is not completed? If the project is put off until sandblasting down to bare metal is required, the work would be more intense and more protections would be needed to safeguard the area around the tank. At the current time, there would be no negative impacts on endangered species or the environment.		
3.5	Is this project being done in partnership with any other organizations/agencies? If Yes, please identify the partner(s) and describe the roles of each partner. See Guidelines for details. (The Board may take this into consideration during deliberation of the construction loan list as a balancing factor.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	PARTNER	ROLE	
3.6	Is this project being done to comply with emerging/maintaining/anticipating regulatory requirements or economic opportunities? If yes, please describe.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	This project will provide an opportunity to improve the tank mixing for better water quality.		
3.7	Have any other measures/activities been undertaken to address the problem/situation/opportunity? If Yes, please describe. If No, explain why not?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	Spot treatments of the tank have occurred over the years to prolong the life of the paint. The tank has lasted 28 years. A typical paint job on a tank only lasts 20.		

SYSTEM-SPECIFIC QUESTIONS

Domestic Water Projects ONLY (in the last five years)					
3.8	What is the current status of the applicant's operating permit? http://www.doh.wa.gov/ehp/dw/sentry.htm	Red	Yellow	Blue	Green
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3.9	Does the applicant have sufficient water rights for the project? If no, explain the status of the situation including a time when the water rights will be acquired.	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
3.10	Is the applicant taking over a failing water system?	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
	Identify system:	Date taken over:		<input type="checkbox"/> N/A	
3.11	Has the system had any boil water orders? If yes, indicate when, for how long, and how (or if) the issue was corrected.	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
	Date(s):	Duration(s):			
3.12	Have there been any connection moratoriums? If yes, indicate when, for how long, and how (or if) the moratorium was lifted.	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
	Date(s):	Duration(s):			
3.13	Has there been more than 10% unaccounted-for water loss? If yes, please describe the current situation including whether or not the water loss has been stopped or decreased.	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
	The City is making steady progress in reducing water loss and unaccounted-for water. The pending PWTF loan will provide the City with a better financial situation to find and fix leaks.				
3.14	Does the system have a bilateral compliance order from Dept of Health?	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	

NEED AND SOLUTION NARRATIVE STATEMENT

3.29 Please include a Problem-Solution-Result narrative about the problem being solved. This is the applicant's opportunity to state the problem or possibility, its impact on the community, and the benefits to be achieved through this project. Attach relevant documents (i.e., regulatory orders, negotiated letter of agreements, resolutions, moratoriums, etc.) to clarify the degree of the problem or opportunity. The project need will be evaluated on:

- Clarity of the need, including whether it is substantiated by data and documentation
- A comparison of the relative hardship or possibility and the frequency of the identified need
- The level of urgency required to address the need.

Please use a maximum of 4,000 characters in each response box: Problem, Solution, and Result (including letters, spaces, and punctuation). 1 page with 1-inch margins and 61 lines is approximately 4,000 characters. SEE GUIDELINES

Problem/Opportunity: Please describe the problem, or opportunity, facing the community.

This water tank has gone 28 years without being painted. Typically water tanks need to be painted a minimum of once every 20 years. The tank is at a point where it could degrade even quicker causing more expensive repairs to be needed in the future (repairing rusted areas, etc.). As tanks degrade, it is very common to have paint chips and other materials fall into the water supply, thus compromising the quality of the water supply.

Another problem is if the City drains the tank for these repairs, there may not be adequate enough fire flow for an emergency. The City would have to draw water from a lower pressure zone that likely would not provide adequate pressure for firefighters should the need arise. This is a very unique problem for the City.

Solution: Please describe the solution proposed to address the **Problem** or develop the **Opportunity**.

The second problem will be dealt with first in installing pumps, valves and/or controls for temporary water service from the lower pressure zones to the higher pressure zone to provide domestic water and fire flow service.

The main problem will be dealt with by treating the tank where spot treatment is needed (removing rust, etc.) and then painting the entire tank, inside and out. In design, it will be determined how much paint will be needed (thickness) as well as specifics for application (weather, etc.). The City will hire a specialized inspector for all aspects of inspecting and monitoring the quality of the paint application.

Result: Please describe the results or benefits anticipated with the proposed **Solution**.

Installing pumps, valves and/or controls will ensure that customers do not have any negative impacts because of this project. They will have the water pressure they need in their homes and firefighters will have the adequate fire flow they need in an emergency.

Treating and painting the water tank will prolong the usability of the tank coating by about 10-15 years. Within the budget, the City will look for cost-effective ways to improve tank mixing.

SECTION 4: LOCAL MANAGEMENT EFFORT

Local Management Effort responses are system specific and should be based on the primary system identified at the top of the application.

READINESS-TO-PROCEED

4.1	All responses are based on "at the time of application." If the applicant is not required to do a particular task, list N/A in "% completed at time of application" box and explain why the task is not required. In order to receive points for a task marked "N/A," an explanation must be included in the box below.	% completed at time of application (or N/A)
	Applicant certifies that the status of engineering and design is complete (Max 4 points) Name and license number of certified engineer assigned to the project: Name: Geoff Dillard License #: 31196	10%
	Applicant certifies that all applicable permits are in hand (Max 3 points)	0%
	Applicant certifies that bid documents are ready (Max 4 points)	0%
	Applicant certifies that right-of-way/easement for project is acquired (Max 4 points)	100%
	Applicant certifies that cultural and historic consultation and environmental reviews are complete. (Max 4 points) <i>If claiming 100% completion, attach verification that consultation with both Department of Archaeological and Historic Preservation (DAHP) and concerned tribe(s) has been complete.</i>	N/A%
If "N/A" is listed for any of the above tasks explain why the activity is not required.	No permits will be required for this project. This is the type of project that will not require cultural and historic consultation or environmental reviews.	

LOCAL MANAGEMENT EFFORT (In the last 5 years)

4.2	<ul style="list-style-type: none"> What is the applicant's process for establishing the project system's maintenance schedule? How frequently is the system's maintenance schedule reviewed and updated? <p>Give two specific examples of maintenance or operations activities performed on this system. If unable to give two examples from the prior five years, please explain why not. (Max 1 point)</p>	
	The City operations staff schedules small repairs (under \$20,000) and replacements to the water system on an annual basis. If a maintenance item is unexpected, then a budget amendment is processed.	
	Maintenance/ Operations Activity Example 1:	Replacement of five power poles in January 2014 (unexpected; budget amendment).
	Maintenance/ Operations Activity Example 2:	Removed, rebuilt and reinstalled both of the major water pumps in the last five years.

4.3	List two distinct and separate capital improvements, other than <u>this</u> project, made to the system. If unable to give two examples from the prior five years, please explain why not. (Max 1 point)	
	Capital Improvements Example 1:	5th Avenue Water Main Replacement project completed in 2013 (\$185,000).
	Capital Improvements Example 2:	In City Forest Water Main Replacement project completed in 2009 (\$236,000).

4.4	<ul style="list-style-type: none"> Describe the planning and public involvement activities performed that identify and/or prioritize local public works maintenance and capital needs for the applicant system. Give two specific examples of planning activities performed on this system in the last five years. If unable to do so, please explain why not. (Max 1 point)
<p>Projects are identified by staff for the Capital Improvement Program (updated yearly with a 6-year forecast). Council members review projects in committee meetings and workshops, all open public meetings. The Capital Improvement Program goes through a public hearing before adoption.</p>	
Planning Activity Example 1:	Yearly Capital Improvement Program process as explained above.
Planning Activity Example 2:	The City Council met in October 2013 to determine the top priorities for staff. This project is #1 on that list (e-mail attached).

STEWARDSHIP OF WASHINGTON'S NATURAL RESOURCES (RCW 70.235.070) (In last 12 months)

4.5	<p>During the last 12 month period, what activities have been done on the:</p> <ol style="list-style-type: none"> Jurisdiction level to conserve Washington's natural resources? System level to conserve Washington's natural resources? <p>If nothing has been done, please explain why not. SEE GUIDELINES FOR EXAMPLES (Max 3 points)</p> <p>What aspect of this project will result in the conservation of Washington's natural resources? (e.g., metering the system; reusing methane gas for energy creation; planting trees to offset carbon emissions, etc.)</p>
<p>This really is not a project in which conservation can occur. This project, by itself, is a project that will not harm Washington's natural resources.</p>	
Jurisdiction level conservation activity Example 1:	The City has increased the efficiency standards for street lighting and lowered the level of lighting to a critical safety along sidewalks.
System level conservation activity Example 2:	There really is not much the water system can do to further conserve Washington's natural resources. The City is requiring the major developer to reduce water consumption by 10% through the Master Planned Development process.
Project level conservation activity Example 3:	With better tank mixing, the City will not need to drain water from the upper pressure zone to the lower pressure zone and re-pump the water as much as is currently done, saving energy.
<p>NOTE! In order to receive the point for the Project level conservation activity, applicant must be willing to have that response included in the 2016 Construction Loan Contract as a contractually obligated requirement. <i>See guidelines for details.</i></p>	
<p>Do you agree to this requirement: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	

APPLICANT CERTIFICATION

WHEREAS, **City of Black Diamond** (name of local government) is applying to the Washington State Public Works Board Construction Loan program for a loan for an eligible project; and

WHEREAS, RCW 43.155.070 requires that applicants planning under RCW 36.70A.040 must have adopted comprehensive plans in conformance with the requirements of chapter 36.70A RCW, and must have adopted development regulations in conformance with the requirements of chapter 36.70A RCW; and

WHEREAS, RCW 70.95 requires a comprehensive Solid Waste Management plan be adopted by the city or county; and

WHEREAS, RCW 43.155.070(10) requires that solid waste or recycling facility is consistent with and necessary to implement the comprehensive solid waste management plan adopted by the city or county under chapter 70.95 RCW.

WHEREAS, the applicant certifies that it has a currently adopted plan for each and every one of the systems it owns and operates and that these plans fully conform to the specifics within this application; and

WHEREAS, RCW 43.155.070 requires that county and city applicants must have adopted the local optional one-quarter of one percent Real Estate Excise Tax, as described in Chapter 82.46 RCW; and

WHEREAS, the applicant states that their Capital Facility Plan is consistent with the Comprehensive Land Use Plan of the jurisdiction in which they provide service; and

WHEREAS, the local governing body has approved submission of this application for a Public Works Board Construction Fund loan; and

WHEREAS the applicant certifies that if they have permitting authority (Counties and Cities) that they have developed and are adhering to guidelines regarding their permitting process for those applying for development permits consistent with section 1(2) of Chapter 31, 2007 laws.

WHEREAS the applicant certifies that it has adopted, and that this project adheres to policies to reduce greenhouse gas emissions in accordance with RCW 70.235.070.

WHEREAS the applicant certifies that, there is currently no litigation in existence seeking to enjoin the commencement or completion of the above-described public facilities project or to enjoin the applicant from repaying the Public Works Board Construction loan extended by the Public Works Board with respect to such project. The applicant is not a party to litigation, which will materially affect its ability to repay such loan on the terms contained in the loan agreement.

WHEREAS, the applicant recognizes and acknowledges that the information in the application forms is the only information, which will be considered in the evaluation and/or rating process. Incomplete responses will result in a reduced chance of funding. In order to ensure fairness to all, the Public Works Board does not accept any additional written materials or permit applicants to make presentations before the Board; and

WHEREAS, it is necessary that certain conditions be met as part of the application process; and

WHEREAS, RCW 43.155.060 requires that the project will be advertised for competitive bids and administered according to standard local procedure; and

WHEREAS, the loan will not exceed the maximum amount allowed by the Board of eligible costs incurred for the project; and

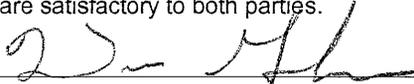
WHEREAS, the applicant certifies that the improvement has a minimum life expectancy of at least the number of years of the loan term for which they are applying; and

WHEREAS, any loan arising from this application constitutes a debt to be repaid, and **Mayene Miller, Finance Director** (person/title) has reviewed and concluded it has the necessary capacity to repay such a loan; and

WHEREAS, the information provided in this application is true and correct to the best of the government's belief and knowledge and it is understood that the state may verify information, and that untruthful or misleading information may be cause for rejection of this application or termination of any subsequent loan agreement(s); and

NOW THEREFORE, **City of Black Diamond** (name of local government) certifies that it meets these requirements, and further that it intends to enter into a loan agreement with the Public Works Board, provided that the terms and conditions for a Public Works Board Construction loan are satisfactory to both parties.

Signed: _____



Name: Dave Gordon

Title: Mayor

Phone Number: 360-886-5700

Date: 5/15/2014

Attest: Blenda L Martinez

CERTIFICATION BY PREPARER OF APPLICATION

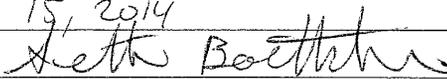
To Be Completed by Staff Member or Consultant

WHEREAS, **Scott Hanis** has prepared this application for a Washington State Public Works Board Construction loan; and

WHEREAS, the preparer recognizes and acknowledges that the information in this application is the only information that will be considered in the evaluation and/or rating process. Incomplete responses will result in a reduced chance of funding, and that in order to ensure fairness for all, the Public Works Board does not accept any additional written materials or permit applicants to make presentations before the Board; and

WHEREAS, the information provided in this application is true and correct to the best of the preparer's belief and knowledge; and

NOW THEREFORE, **Scott Hanis** recognizes and acknowledges the above declarations and certifies that this application meets the above requirements.

Signed: 
Name: Scott Hanis
Title: Public Works Administrative Assistant III
Phone Number: 360-886-5700
Date: May 15, 2014
Attest: 



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
OFFICE OF DRINKING WATER
PO BOX 47822 • Olympia, Washington 98504-7822
TDD Relay Service: 1-800-833-6388

March 25, 2013

Scott Hanis
City of Black Diamond
PO Box 599
Black Diamond, WA 98010

Dear Mr. Hanis:

I have finished reviewing your Drinking Water State Revolving Fund (DWSRF) loan application 2013-032 for your Water Tank Repainting. Unfortunately, I have determined that your project is **INELIGIBLE** for funding.

Based on the DWSRF Loan Program's 2013 Guidelines "Planning Documents" (page 3); the reason for the ineligibility determination is that your project was not in your approved WSP or SWSMP. Also, repainting a tank is usually considered O&M work, not a construction project.

You may choose to appeal this determination of ineligibility. To do so, you need to submit your appeal, including any supporting document, to:

Denise Addotta Clifford, Director
Department of Health
Office of Drinking Water
PO Box 47822
Olympia, Washington 98504-7822

Any appeal must be received in this office by 5:00 p.m. on April 8, 2013. If you have any questions, please contact me at (360) 236-3116.

Sincerely,

Karen Klocke
DWSRF Program Lead

cc: Erika Lindsey, DOH Northwest Regional Office
Denise Clifford, Director, Office of Drinking Water



Capital Plan 2014 - 2019

Project for the **Water Department** **# W2**

PROJECT TITLE **Reservoir Painting and Maintenance** **13.07**

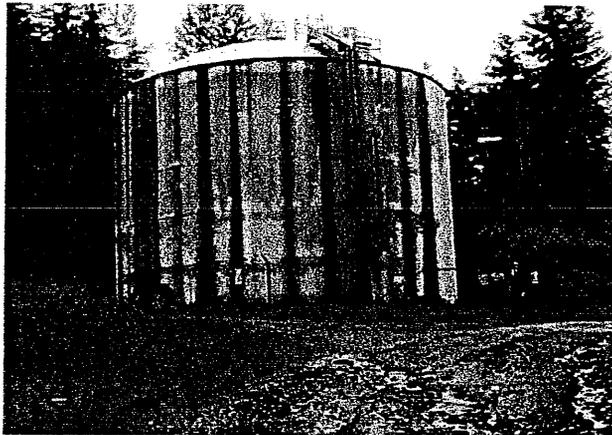
DESCRIPTION Repaint the 0.5 MG reservoir inside and out.

BACKGROUND The paint job has lasted over twenty years but must be repainted soon before sandblasting to metal is needed. A PWTF loan still is a possibility and could provide financing on a 10 year term at a 0.5% interest rate.

COMMENTS The budget was increased from the 2013 budget because of the paint condition, need for an additional access port, tank mixing and staff costs. The preliminary engineering will start in 2013 as budgeted. Loan for five years at .5 % interest will be repaid from water operating revenue.

	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019				
		2014	2015	2016	2017	2018
CAPITAL PROJECT COSTS						
Design Engineering & bid docs	27,000	27,000				
specialty inspection	5,000	5,000				
Tank Painting & improvements	141,000	141,000				
Project management	26,000	26,000				
TOTAL COSTS	199,000	199,000	-	-	-	-
REQUESTED FUNDING						
Sewer Loan	187,000	187,000				
Real Estate Excise Tax II	12,000	12,000				
TOTAL SOURCES	199,000	199,000	-	-	-	-

	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
DEBT FUNDING							
Internal Sewer Loan	189,814		37,963	37,963	37,963	37,963	37,963
TOTAL DEBT FUNDING	189,814	-	37,963	37,963	37,963	37,963	37,963



Old Lawson Hill 500,000
Gallon Tank

Capital Plan 2015 - 2020

Project for the **Water Department** **# W9**

PROJECT TITLE **0.5 MG Water Reservoir Recoat**

DESCRIPTION

Repaint the 0.5 MG reservoir inside and out.

BACKGROUND

This project while it is a maintenance project does extend the life of the coating by about 5 to 10 years and therefore is included in this Capital Improvement Plan

COMMENTS

The budget was increased from the 2013 budget because of the paint condition, need for an additional access port, tank mixing and staff costs. The preliminary engineering will start in 2013 as budgeted. Work will begin in 2014. Funded by a Public Works Trust Fund Loan for 10 years @ 2.5%.

CAPITAL PROJECT COSTS

	Total \$ Requested 2015-2020	Capital Plan 2015 - 2020					
		2015	2016	2017	2018	2019	2020
Design Engineering & bid docs	15,000	15,000					
Specialty Inspection	4,000	4,000					
Tank Painting & Improvements	120,000	120,000					
Project Management	18,000	18,000					
TOTAL COSTS	157,000	157,000	-	-	-	-	-
	Total \$ Requested 2015-2020	2015	2016	2017	2018	2019	2020
REQUESTED FUNDING							
PWTF Loan or other	147,000	147,000					
Interfund Loan from Sewer	5,000	5,000					
Real Estate Excise Tax II	5,000	5,000					
TOTAL SOURCES	157,000	157,000	-	-	-	-	-

