## REVISED STAFF REPORT

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| **Agenda Item:** | 6 | **Name:** | Mike Reed |
| **Proposed No**.: | 2020-0044 | **Date:** | February 26, 2020 |

**COMMITTEE ACTION**

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| ***Proposed Substitute Ordinance 2020-0044.2 authorizing the executive to enter into a loan agreement with the Washington State Department of Commerce Public Works Board for loan financing for the Brightwater reclaimed water storage project, passed out of committee on February 26, 2020, with a “Do Pass” recommendation. The Ordinance was amended in committee with Amendment 1 to make technical changes, including inserting code references and correcting section identification.*** |

**SUBJECT**

An ordinance authorizing the executive to enter into a loan agreement with the Washington State Department of Commerce Public Works Board for loan financing for a capital project of the Wastewater Treatment Division (WTD) in the Department of Natural Resources and Parks.

**SUMMARY**

Proposed Ordinance 2020-0044 would authorize the executive to enter into an agreement with the Public Works Board of the Washington State Department of Commerce for a project that has been awarded a Public Works Trust Fund (PWTF) loan of $1,000,000 for the Brightwater Reclaimed Water Storage Project. This five-year loan is provided at an interest rate of 0.79%, and is estimated to save King County $615,662 in interest expense as compared to conventional bond financing.

Amendment 1 would make technical changes, including inserting code references and correcting section identification.

**BACKGROUND**

Brightwater Reclaimed Water Storage Project

The Brightwater Reclaimed Water Storage Project is being undertaken consistent with the Wastewater Treatment Division’s broader efforts to reuse and recover salvageable resources associated with the wastewater treatment process. To facilitate provision of a consistent volume of reuse water, the Division is proposing to develop and construct a storage facility to capture excess reuse flow as it becomes available, for use during periods of lower flow. This loan would provide funding for an alternatives analysis and design of the project, as well as for preconstruction costs.

Public Works Trust Fund Loan Programs

The purpose of the Public Works Trust Fund Construction Loan Program is to help local governments address critical infrastructure needs for water, sewer, storm water, roads, bridges and solid waste/recycling systems. The Washington State Public Works Board has administered this and other infrastructure loan programs since 1986. The Public Works Board reports executing several thousand agreements for infrastructure projects with cities, counties, special purpose districts and others.

**ANALYSIS**

Savings

This low interest loan agreement is estimated to save King County $615,662 in interest expense over the period of the loan as compared to conventional bond financing. The savings calculations are presented in the fiscal note that was transmitted with the legislation. The award of this loan will assist the County in its effort to control costs associated with this project.

**AMENDMENT**

Amendment 1 would make technical changes, including inserting code references and correcting section identification.