

Meeting #11 Agenda (December 6, 12-2pm): Funding, Financing and Rates

- I. Welcome and Overview of Agenda (12:00-12:05)
- II. Mike Young, Assistant Director, Water and Transportation Section, Washington Utilities and Transportation Commission + Q&A (12:05-12:20)
- III. Tamara Jones, Senior Legislative Planner, Climate Pollution Reduction Program, Ecology (12:20-12:45)
- IV. Dawn Marie Maurer, Solid Waste Facilities Specialist, Washington State Department of Ecology + Q&A (12:45-1:00)
- V. Spencer Huang, Principal Economist, Rates & Financial Planning, Seattle Public Utilities + Q&A (1:00-1:15)
- VI. Travis Dutton, Natural Resource Policy Analyst, Washington State Association of Counties + Q&A (1:15-1:30)
- VII. Policy Feedback: Funding, Financing and Rates (1:30-1:55)
 - a. Create a significant grant program to be administered by Ecology for local governments and private businesses for technical, education, enforcement and infrastructure, to the extent allowed by constitution.

Strengths/Concerns/Issues/Questions

- Michael W.: One of the things that could be helpful is to have a staff member or grant writer to help people apply for the funding, particularly for disadvantaged groups. There are many federal programs that have funding available and providing state funding to match federal programs is very helpful as well.
- Kent K.: Is this going to be a single grant or two different ones (one for local and one for private)? I think you need two separate grants – one for private industry and one for government. Government agencies can't compete with the public sector on a lot of elements; it could go sideways really quick.
 - Heather T.: This would be an ongoing program. The idea is to start this soon now so that others can start implementing 1799 while preparing for this.
 - Beth D.: We can't give to private industry constitutionally.
- Carl S.: I would be interested to hear an example of what an investment directed to a private business in this arena would potentially meet the constitutional lending of credit restrictions? I'm most familiar in the residential development context where funds must go to support the "poor and infirm," i.e. subsidized housing for low-income folks.
- Rose G.: Is there a priority on the goals of these grants?
- Julie G.: Perhaps you want to distinguish infrastructure from enforcement, technical, education. You need to distinguish those buckets so you're not competing with enforcement from infrastructure dollars. Also, where is the funding coming from?
 - Heather T.: CCA is at least part of the thinking for funding source.
- Rebecca K.: I'm confused about the enforcement portion. I thought enforcement was to be done by regional governmental entities, so would such a grant go to King County rather than municipalities, since most of us won't be handling enforcement.

- Dan C.: The grants need to be large enough so that they could justify the additional expenses of administering the grants. Or that there's funds available that's paying for that administration. Oftentimes, smaller grant sums have reluctant applications because the costs of administering the grants is so great.
 - Julie G.: Agreed w/Dan re: administrative burden and avoidance to grants if not sufficient.
- Heather T.: How does commerce give money to private industry? What is the mechanism by which they could do that? Also, welcome thoughts on competitive/non-competitive.
 - Beth D.: Has to pass the public interest test.
- Carl S.: Would love to secure grant funding or other form of funding if cities are expected to make investments in this sort of infrastructure. Appreciate that that's been part of the conversation all along. In terms of competitive and non-competitive, if there's a cost driven by policy that affects rate of local governments, it makes sense to not have them compete against each other because they're having to do it based on state policy. Does it need to be passed through to local governments/private office? Could the state operate the facilities?
- Aaron C.: Multiple grants, but also multiple grant programs?
- Travis D.: Funding should be flexible in where it can be applied and not solely focused on organics; reflective of revenue impacts of all mandates; direct allocation and only the necessary administration needs; non-competitive.
- Michael S.: Clean Energy Funds are available to private sectors as long as tied to a capital purchase (i.e., equipment) that have to stay in state 13 years (I believe).
- Heather T.: Echo that match should be minimal or very low, but agree that that has been a barrier with grant programs.
- Kent K.: Infrastructure match is big dollars. Local communities do not have the funds to this so would disqualify from participation.
- Travis D.: There should be other ways to achieve skin in the game.
- Michael W.: I'm building a group to go after BioMADE funding, in the range of \$50-\$100M that could match these funds. Would help bio manufacturing develop new technologies through infrastructure research and could provide a mechanism for matching. Email me at mikew@corumat.com if you're interested.
- Julie G.: How is this redundant or can enhance what is already available through the public works trust fund?
 - Heather T.: Those are loans.
- Carl S.: Match is always an issue. Putting match requirements in place will disadvantage smaller cities and counties and resource poor jurisdictions. One example that came up in the culvert issue at the fish barrier removal board. Jefferson County shared that they had budget capacity for something like \$150k to provide for match across all issues that the county works on. So even extremely small match can be a barrier.
- David U.: To ensure that it is in the record - please include nonprofits
- Michael W.: That's a great point on grants vs. loans. Grants from ecology could be used to subsidize existing loan programs to make project viable. Please add to notes. :-)

VIII. Next Steps and Adjourn (1:55-2:00)

- a. Meeting **NEXT WEEK – 12/13, 12-2pm**