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*Email version available upon request*

## **Port of Douglas sewer application turned down a second time**

*The \$2.5 million project was declined a loan by the Public Works Trust Fund because of economic development content.*

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For the second straight year, the Port of Douglas and the Douglas County Sewer District had their \$2.5 million Industrial Park Sewer Project turned down by the Washington State Public Works Board. The primary reason given at an exit interview by an agency representative was that the application did not match the primary objectives established for the Public Works Trust Fund. "As you can imagine this is very frustrating for us," said Pat Haley, Port Director. "We modified our application from last year with the confidence that we could meet the award criteria, but the Board changed their priority rankings for this year's projects." As described by Isaac Huang, Public Works Regional Account Executive, the highest rankings were given to projects that had an existing need or were related to some type of environmental issues including endangered species protection. An "existing need" is defined as a project that is failing or has the potential for failure. Huang said the priority rankings were necessary because of the competition for the \$250 million loan fund.

"What needs to change is how the State establishes its priority rankings," said Bob Corkrum, Port Commissioner. "Just because we don't have some type of hole in our pipe doesn't mean rural Eastern Washington has no need for a sewer system." According to the Board's ranking system, projects that were in some degree of failure received the highest consideration, next were projects that involved environmental compliance or endangered species mitigation, and lastly were projects related to economic development. The Port of Douglas' application fell into the lowest category.

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"We are not going to give up on this project," said Jim Huffman, Commission president. "We're simply going to find another way to make it happen." Some of the options include submitting a new application for a third attempt at PWTF loan, bonding the project at a higher interest rate, or scaling back to the project that will limit the amount of future connections and bonding it a lesser amount. If the Port chooses to re-apply, it will take another year for the project to be reviewed. The PWTF interest rate is 1/2 percent, however, making it very appealing to competitive projects across the state. The rate for a general obligation bond is around 5%. "That 4 1/2 % is a big difference in the long term costs of this project," said Alan Loeb sack, Upper County Port Commissioner. "On the other hand waiting for another year is difficult when this area really needs some type of economic stimulus. If we end up bonding this project, we're going to do everything we can to keep it from being limited for future users."

As an interim step, the Port of Douglas will submit an application for a pre-construction loan. These applications are reviewed on a monthly basis and provide resources for performing engineering and design services for construction projects. "There may be a way for us to modify our application again that will allow it to score higher in the Board's ranking system," said Haley. "Once the application is reviewed in December for the design portion of the loan, then we can have a better feel for how the application might score for the construction portion. We'll also know how the State is going to fund the PWTF, since the Governor could take money from this source to use in other areas in the State's budget."

The PMA Industrial Park sewer project will extend a sewer line from Kentucky Street up Grant Road to Union Street. The line will then extend down Union Street through Port property to Eighth Street. Upon completion, this will provide the only sewer service to industrial lands in the greater East Wenatchee area.

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