



DEPARTMENT OF
ECOLOGY
State of Washington

Concise Explanatory Statement

Chapter 173-98 WAC

**Uses and Limitations of the Water Pollution
Control Revolving Fund**

Summary of rule making and response to comments

November 2013
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Publication and Contact Information

This publication is available on the Department of Ecology's website at <https://fortress.wa.gov/ecy/publications/SummaryPages/1310048.html>

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Ecology publishes this document to meet the requirements of the Washington State Administrative Procedure Act (RCW 34.05.325)

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Concise Explanatory Statement

Chapter 173-98 WAC Uses and Limitations of the Water Pollution Control Revolving Fund

Water Quality Program
Washington State Department of Ecology
Olympia, Washington 98504-7600

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Introduction

The purpose of a Concise Explanatory Statement is to:

- Meet the Administrative Procedure Act (APA) requirements for agencies to prepare a Concise Explanatory Statement (RCW 34.05.325).
- Provide reasons for adopting the rule.
- Describe any differences between the proposed rule and the adopted rule.
- Provide Ecology's response to public comments.

This Concise Explanatory Statement provides information on the Washington State Department of Ecology's (Ecology) rule adoption for:

Title: Uses and Limitations of the Water Pollution Control Revolving Fund
WAC Chapter(s): Chapter 173-98 WAC
Adopted date: November 20, 2013
Effective date: December 21, 2013

To see more information related to this rule making or other Ecology rule makings please visit our web site: www.ecy.wa.gov/laws-rules/index.html

Reasons for Adopting the Rule

Ecology is adopting the rule amendments to implement an administration charge authorized by chapter 90.50A Revised Code of Washington (RCW) and to incorporate the definition of "debt service" from the law. The amendments will allow Ecology to assess an administration charge on each loan authorized under the Water Pollution Control Revolving Fund (Revolving Fund) at the point the loan enters repayment status.

The administration charge:

- Will be applied to any Revolving Fund loan that enters repayment after the rule becomes effective.
- Cannot exceed 1 percent on the declining loan balance.
- May not be applied to loans with an interest rate below the administration charge.
- Will be subtracted from the established interest rate for the loan; thus, it will have no impact on borrowers.

Differences between the Proposed Rule and Adopted Rule

RCW 34.05.325(6)(a)(ii) requires the Department of Ecology (Ecology) to describe the differences between the text of the proposed rule as published in the *Washington State Register* and the text of the rule as adopted, other than editing changes, stating the reasons for the differences.

There are no differences between the proposed rule filed on August 27, 2013, and the adopted rule filed on November 20, 2013.

Appendix A: Copies of all written comments

Ecology accepted comments from August 27, 2013, through October 17, 2013. Ecology received one comment during the public comment period. This section provides a scan of the comment text and Ecology's response. (RCW 34.05.325(6)(a)(iii))

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Thompson, Daniel (ECY)

From: ECY RE HQ WQ FMS
Sent: Thursday, November 14, 2013 1:05 PM
To: Thompson, Daniel (ECY)
Subject: FW: New proposal on State Revolving Loan Program

From: Vanya Brown [<mailto:V.Brown@co.island.wa.us>]
Sent: Thursday, September 12, 2013 2:25 PM
To: Thompson, Daniel (ECY)
Cc: Wood, Jill (DOHi); Kathleen Parvin
Subject: New proposal on State Revolving Loan Program

I have concern about the new proposal for admin support on State Revolving Loan Program (SRF). I think that the new proposal is going to decrease the funds that support our program manager and admin staff. The change suggests our entity to bill for admin support no more than one percent of the declining program balance. Our admin personnel work at the same level on SRF program if we have a balance of \$500 000 or \$100 000. We process about 20 loan applications per year, and currently we receive about \$20 000 a year. This is only \$1000 per a loan that is shared by our program manager and our accounting staff for the extending effort they put into this program. This level of funding for admin support does not cover all of our effort to run the program. With the new proposal we are going to receive less admin funds for the last couple years of the SRF program. With all of the budget cut that the LHJ have had in the last few years, and the current proposal funding cut, we may be forced to stop the program.

Best Regards,

Vanya Brown
Accounting Supervisor/ Manager
Island County Public Health
P.O. Box 5000 | Coupeville | WA 98239-5000
(360) 678-7889 Fax (360)679-7390
v.brown@co.island.wa.us

Ecology Response

The rule amendments only apply to the Ecology's administration of the Revolving Fund Program. The administration costs that recipients of Revolving Fund loans, including local health jurisdictions, may charge would not be affected in any way. No changes were made in response to the comment.

Appendix B: Transcript from Public Hearing

Tacoma – October 10, 2013

Let the record show it is 1:15 p.m. on October 10, 2013, and this public hearing is being held at the Pierce Co Library, Processing and Administrative Center, Room A, located at 3005 – 112th Street East, Tacoma, Washington. The primary purpose of this hearing is to receive public comments regarding the proposed rule amendments to Chapter 173-98 WAC – Uses and Limitations of the Water Pollution Control Revolving Fund.

The legal notice of this public hearing was published in the Washington State Register, Issue Number 13-18-025. Ecology also directly notified the following: Water Quality Grant and Loan ListServ, Water Quality Partnership, Ecology WACTrack Listserv, and The Tribes, as well as issuing a statewide news release and posting the hearing information on the Ecology Public Events Calendar.

At this time, there is no one other than Ecology staff who are in attendance to provide testimony.

The public comment period ends on October 17, 2013. Written comments must be received no later than midnight on October 17. Please submit written comments to: Daniel Thompson, Water Quality Program, Department of Ecology, PO Box 47600, Olympia WA 98504-7600. Comments may be submitted to Daniel via email to: daniel.thompson@ecy.wa.gov. Comments may also be faxed to Daniel at 360/407-7151.

All oral and written comments received during the public comment period will be responded to in a document called the Concise Explanatory Statement that will state Ecology's official position on the issues and concerns that have been raised. That document will automatically be mailed out to anyone who provided oral or written testimony provided you included address information with your comments.

Ecology is expecting to adopt these rule amendments no earlier than November 20, 2013. The rule changes would become effective 31 days later. If Ecology believes comments received either in writing or in oral testimony could substantially change the scope or conditions within the original draft rule amendments, another public notice of draft and comment period may be necessary which would result in a delay in adopting the proposed amendments.

The ultimate decision on whether or not to adopt the proposed rule amendments will be made by the Ecology Director Maia Bellon after she has reviewed the comments received and staff recommendations on the proposal.

On behalf of the Department of Ecology, I'd like to thank you for coming to this public hearing. We appreciate your time and comments. This hearing is adjourned at 1:18 p.m.

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Appendix C: Citation List

Chapter 173-98 WAC

Uses and Limitations of the Water Pollution Control Revolving Fund

AO # 13-05

This citation list contains references for data, factual information, studies, or reports on which the agency relied in the adoption for this rule making (Chapter 34.05 RCW).

Sources of Information

1. SHB 1141 (Chapter 96, Laws of 2013); see:
<http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/Session%20Laws/House/1141-S.SL.pdf>