

**BOARD OF COUNTY COMMISSIONERS
COUNTY OF KITTITAS
STATE OF WASHINGTON**

RESOLUTION NO. 2026 - 149

**A RESOLUTION TO AUTHORIZE EXECUTION OF AN INTERLOCAL
AGREEMENT BETWEEN KITTITAS COUNTY AND THE WASHINGTON STATE
DEPARTMENT OF ECOLOGY AND THE WASHINGTON STATE DEPARTMENT OF
HEALTH FOR THE REGIONAL ONSITE SEWAGE SYSTEM LOAN PROGRAM**

WHEREAS, RCW 39.34, the Interlocal Cooperation Act, provides the capability for public agencies to cooperate for mutual advantage; and

WHEREAS, the County, through the Kittitas County Public Health Department (KCPHD) as a Local Health Jurisdiction (LHJ), has worked with the Washington State Department of Ecology (DOE) and the Washington State Department of Health (DOH), both Washington State Agencies, to provide this program to the community to address failing or malfunctioning on-site sewage systems to protect public health and water quality; and

WHEREAS, DOE has awarded grant and loan funds for the Regional Loan Program (RLP) beginning with the Water Quality Program FY2016 Combined Funding Cycle and is the lead administrative state agency, as required by the loan application. DOH will provide accompanying coordination and technical support; and

WHEREAS, on-site sewage system (OSS) owners need affordable financial options to repair and replace their systems or convert to sewer to ensure effective sewage treatment to help protect water quality and public health; and

WHEREAS, the parties desire to enter into this interlocal agreement, which is attached hereto and incorporated by this reference, as Exhibit A, to this Resolution.

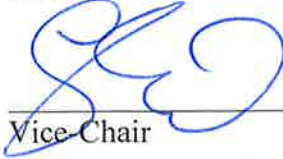
NOW THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Kittitas County, Washington, hereby authorizes execution of the attached Interlocal Agreement with the Washington State Department of Ecology and the Washington State Department of Health, upon signature by the parties.

DATED this 18th day of September, 2026, at Ellensburg, Washington.

BOARD OF COUNTY COMMISSIONERS
KITITAS COUNTY, WASHINGTON



Chair



Vice-Chair

ABSENT

Commissioner


Clerk of the Board

APPROVED AS TO FORM

Prosecutor/Deputy Prosecutor

MEMORANDUM OF UNDERSTANDING

REGIONAL ON-SITE SEWAGE SYSTEM LOAN PROGRAM

This agreement is made and entered into between the Local Health Jurisdictions (LHJs) and Counties (collectively “participating local jurisdictions”); Washington State Department of Health (Health); and Washington State Department of Ecology (Ecology) for the purpose of providing a program to offer loan assistance to citizens of the participating local jurisdictions to address failing or malfunctioning on-site sewage systems to protect public health and water quality. Collectively, the parties are referred to as “Partners.” It is entered into solely for the mutual benefit of the parties to this agreement. This agreement is not entered into with the intent that it shall benefit any other person and no other such person shall be entitled to be treated as a third-party beneficiary of this agreement. This agreement updates and replaces the MOU dated August 2018.

WHEREAS, Ecology has awarded grant and loan funds for the Regional Loan Program (“RLP”) beginning with the Water Quality Program FY2016 Combined Funding Cycle (see State Fiscal Year 2016 Final Water Quality Funding Offer List and Intended Use Plan and following annual Water Quality Combined Final Offer Lists), and

WHEREAS, the grant/loan application submitted to Ecology by the LHJs and the Counties calls for a state agency to administer the RLP, and

WHEREAS, Ecology will be the lead administrative state agency and Health will provide accompanying coordination and technical support, and

WHEREAS, Ecology has conducted a procurement process and has contracted with Craft3 as the Financial Institution Partner (FIP) for the RLP, and

WHEREAS, on-site sewage system (OSS) owners need affordable financial options to repair and replace their systems or convert to sewer to ensure effective sewage treatment to help protect water quality and public health, and

WHEREAS, LHJs have responsibility for addressing failing OSS to protect ground water, surface water, and the public’s health in their respective counties, and

WHEREAS, approximately one third of the state’s households are served by decentralized (on-site) wastewater infrastructure and this vast and aging infrastructure needs ongoing care and investment.

NOW, THEREFORE, in consideration of the mutual promises herein, the Partners agree as follows:

This MOU may be reviewed and amended at the request of any of the Partners. An amended agreement would require approval by all participating local jurisdictions. Any of the local

jurisdictions may withdraw from this AGREEMENT provided written notice is provided to each of the other Partners thirty (30) days prior to withdrawing from this AGREEMENT.

The Partners agree to collaborate on the RLP as specified in the Roles and Responsibilities attached and incorporated as Appendix A to this MOU.

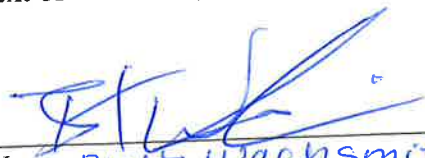
The FIP will provide competitive loan rates and flexible terms to property owners to finance OSS repairs, replacements, or conversion to sewer to protect water quality and public health. Financial responsibility for repayment to Ecology of any State Revolving Fund disbursements under the RLP will belong to the FIP. The Partners will provide property owner referrals to the FIP.

The program guidelines define program structure and service delivery during implementation of the RLP. The roles and responsibilities described in this MOU coincide with the period of operation of the RLP as spelled out in the contract between Ecology and FIP. The Partners intend to administer and continue this RLP as long as sufficient loan and grant funds are available to recapitalize and effectively sustain it.

The LHJs will fulfill their responsibilities for septic system permitting and technical assistance as required by chapter 246-272A WAC, including review of septic design repair applications, and record drawings; completing final inspections, and notifying FIP upon request that the project is completed so payment is authorized to contractors for completed work.

Each party to this agreement shall be responsible for its own acts and/or omissions and those of its officers, employees and agents. Each party shall fully indemnify and hold harmless the other parties against all claims arising out of the indemnifying party's own negligent acts or omissions in performance of this agreement.

This MOU may be executed by facsimile or electronic mail in any number of current parts and signature pages hereof with the same effect as if all Members had all signed the same document. All executed current parts shall be construed together, and shall, together with the text of this MOU, constitute one and the same instrument.


Name: Brett Wachsmith
Title: Beece chairman
Agency: Kittitas County

Date: 09/01/20

APPENDIX A

Regional Loan Program Roles and Responsibilities

Financial Institution Partner	LHJs or Counties
Duties: • Receive customer loan application, and provide all required loan processing as set forth in the contract with Ecology. • Maintain sole and exclusive authority to approve or decline credit according to its internal Credit Policy. • Provide marketing to promote the Regional Loan Program as outlined in the contract with Ecology. • Accept financial responsibility for all loans made through the RLP and perform loan portfolio management. • Comply with relevant state and federal consumer lending requirements.	Duties: • LHJs and Counties: provide referrals to FIP. • LHJs and Counties: distribute approved marketing materials as needed to owners of failing septic systems. • LHJs: fulfil requirements under WAC 246-272A regarding septic design review, septic installation, and final approval. • LHJs: complete final inspection on septic, and notify the FIP upon request. • LHJs and Counties: Work with Ecology to develop or modify the Program Guidelines.
Washington Department of Health	Washington Department of Ecology
Duties: • Assist with coordination, and technical support, which may include meetings of the oversight structure, consideration of expanded geographic coverage, and future applications for RLP grant and loan funding.	Duties: • Work with the Regional Loan Partners as necessary to develop or modify the Program Guidelines. • Manage contract with FIP to provide loans under the RLP consistent with the Program Guidelines. • Maintain communication with the Regional Loan Partners.