



**Agenda Bill AB25-077**

**Meeting Date: August 4, 2025**

**Agenda Item: IX.D**

☒ **Regular Business Meeting**

☐ **Workshop/Study Session**

☐ **Special Business Meeting**

---

**Submitted By:** Mike Connelly, Project Manager and Steve King, PW Director

**Date Submitted:** July 31, 2025

**Department:** Public Works

**Contact Phone:** 360-531-2761

---

**SUBJECT:** Resolution 25-024 Authorizing the Application for Loan Funding for Final Design and Construction of Lawrence Street Combined Sewer Separation Project in an Amount not to Exceed \$4,500,000

---

**CATEGORY:**

- ☐ Consent                      ☒ Resolution  
☐ Staff Report                  ☐ Ordinance  
☐ Contract Approval    ☐ Other: Action Item  
☐ Public Hearing (Legislative, unless otherwise noted)

☐ **3-Year Strategic Plan:** 4 - Ensure sustainable future for public services and facilities

**BUDGET IMPACT: \$0**

Expenditure Amount: \$5,800,000

Included in Budget? Yes ☒ No ☐

**Cost Allocation Fund(s):**

Sewer SDC (495), Stormwater Operations (412), Transportation Benefit District (TBD), Public Works Board (PWB) Loan, Department of Ecology (DOE) Loan

---

**SUMMARY STATEMENT:**

**Background:**

The Lawrence Street Combined Sewer Separation Project is a high-priority public infrastructure investment designed to eliminate stormwater inflow into the sanitary sewer system along Lawrence Street between Harrison and Monroe Streets. This project directly supports the City's General Sewer Plan, improves capacity at the Monroe Street Lift Station, and restores ADA-compliant and multimodal infrastructure in Uptown Port Townsend.

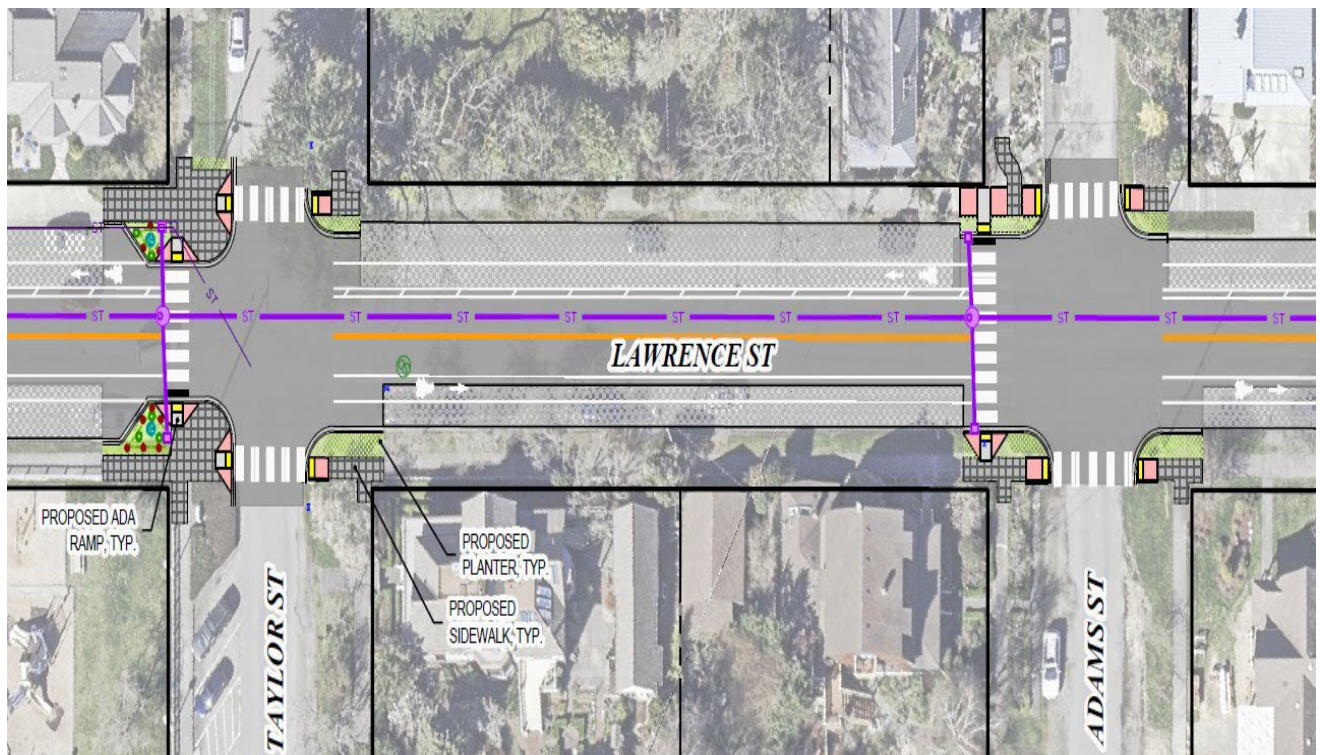
On July 21, 2025, City Council reviewed conceptual alternatives under AB25-072 and reached consensus on moving forward with a modification of Option 1, which is a middle ground between Options 1 and 2. This approach balances cost, regulatory compliance, and community benefit. It builds on the existing corridor template from Harrison and Tyler Streets and includes targeted stormwater treatment, ADA upgrades, and bulbouts at Taylor and Quincy Streets on uphill side of intersections with Lawrence Street for pedestrian safety and traffic calming.

City staff is now seeking authorization to submit competitive applications to the Public Works Board (PWB) and Department of Ecology (DOE) for funding through the Construction Loan and Clean Water State Revolving Fund (CWSRF) Loan programs, respectively.

## Current Lawrence Street Configuration to be used for Modified Option 1:



## Modified Option 1 – Targeted Corridor Improvements with Stormwater Treatment and ADA Upgrades



## Key Features Modified Option 1:

- Full separation of stormwater from the sanitary sewer
- New ADA-compliant curb ramps and sidewalk connections
- Selective bulb-outs at Taylor and Quincy Streets for pedestrian safety and stormwater treatment via rain gardens
- Full-depth CTB reconstruction in travel lanes with full-width HMA overlay
- Continuation of the existing street section (narrow travel lanes, bike lanes, on-street parking).

### **Funding Strategy Summary:**

The total planning-level project cost estimate is \$5,800,000.

The majority of the project will be funded through low-interest loans from the Public Works Board (PWB) and Department of Ecology (DOE). To support competitive applications, the City will provide a 20% local match totaling approximately \$1.16 million. This match will be distributed across the Water, Sewer, Stormwater, and Transportation Benefit District (TBD) funds, with the TBD contribution expected to be less than \$400,000.

### **Next Steps:**

- Submit funding applications:
  - PWB Construction Loan – Due August 8, 2025
  - ECY Clean Water State Revolving Fund Loan – Due September 3, 2025.
- Continue design toward 30% design milestone for core utility work and public outreach (Winter 2025)

---

**ATTACHMENTS:** Resolution No. 25-024

---

**CITY COUNCIL COMMITTEE RECOMMENDATION:** N/A

---

### **RECOMMENDED ACTION:**

Move to approve Resolution 25-024 Authorizing the Application for Loan Funding for Final Design and Construction of Lawrence Street Combined Sewer Separation Project in an Amount not to Exceed \$4,500,000.

---

### **ALTERNATIVES:**

- ☒ Take No Action     
 ☐ Refer to Committee     
 ☐ Refer to Staff     
 ☐ Postpone Action  
☐ Remove from Consent Agenda     
 ☐ Waive Council Rules and approve Ordinance \_\_\_\_  
☐ Other:

**RESOLUTION NO. 25-024**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT TOWNSEND, WASHINGTON, AUTHORIZING THE APPLICATION FOR LOAN FUNDING FOR FINAL DESIGN AND CONSTRUCTION OF LAWRENCE STREET COMBINED SEWER SEPARATION PROJECT IN AN AMOUNT NOT TO EXCEED \$4,500,000**

**WHEREAS**, The City of Port Townsend's (City) 2024 Adopted General Sewer Plan, Capital Improvement Project No. SM9 identifies the need to separate stormwater inflow and sanitary sewer flow in Lawrence Street from approximately Tyler Street to Monroe Street; and

**WHEREAS**, Preliminary (30%) design for the separation project is currently being performed under a combined grant and loan from the Washington State Public Works Board; and

**WHEREAS**, The City will apply for a construction loan from the Washington State Public Works Board and, potentially, a Clean Water State Revolving Fund (CWSRF) loan from Department of Ecology's Water Quality Combined Funding Program, in a total combined amount not to exceed \$4,500,000; and

**WHEREAS**, The City commits to the responsibility to repay the loan(s) and abide by the provisions of the loan agreement(s) if awarded;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Port Townsend to authorize application for loans for the Lawrence Street Combined Sewer Separation Project in an amount not to exceed \$4,500,000.

**ADOPTED** by the City Council of the City of Port Townsend at a regular meeting thereof, held this 4<sup>th</sup> day of August, 2025.

\_\_\_\_\_  
David J. Faber  
Mayor

***Attest:***

\_\_\_\_\_  
Alyssa Rodrigues  
City Clerk