

February 17, 2025

Members of the Washington State Legislature:

We call on the Legislature to maintain full funding for the Public Works Assistance Account (PWAA).

Washington's infrastructure system is vital to the wellbeing of our communities and the statewide economy. As we all know, there is a significant need for infrastructure investments across the state, including for drinking water, wastewater, stormwater and transportation systems. Cities and towns are struggling to keep up with the costs of maintaining aging infrastructure and expanding their systems to support a growing population. In the latest AWC City Conditions Survey, approximately 75% of cities reported infrastructure funding as a priority.

We understand the challenge of balancing investments in infrastructure with limited state-level revenues, especially during this challenging economic environment. We urge you to find solutions that do not require diverting additional funds from the PWAA. This basic assistance ensures that all parts of the state can thrive. Cities are a committed partner in furthering the success of our state and we ask that you consider the critical role that infrastructure investments play to support Washington's future.

The PWAA has been a primary source of infrastructure funding for cities and towns since its founding in 1985, through grants and low-interest loans that help cities pay for much-needed but costly capital projects they could not otherwise afford. PWAA provides direct funding with limited red tape, enabling cities to address unmet infrastructure needs while keeping rates affordable for residents.

The PWAA is a reliable, essential source of financial support for local governments. For 40 years, the Public Works Board has awarded more than \$3.6 billion in loans and grants to over 2,200 infrastructure projects in communities large and small. It has never had a loan default. Additionally, the PWAA is instrumental to promoting economic development—every \$1 invested from the account generates an additional \$5 in economic activity.

However, while these critical projects have received funding support from the PWAA, many other projects have not been funded. This is because the needs far outpace availability of funds. In the latest PWAA construction cycle, over \$262 million in assistance was requested for 69 projects across Washington. The Public Works Board could only fund \$175 million for 51 projects, leaving \$87 million, or 18 projects, unfunded.

Unfortunately, the account is already subject to more than \$160 million in existing diversions. It cannot afford to lose more funding. Loss of investments now will reduce the loan repayment revenue stream to the account, resulting in compounded reductions over time.

This year, cities identified statewide infrastructure investments as a legislative priority. We know that Washington's interconnected infrastructure system must be well maintained and preserved for a strong economy and healthy communities. We can no longer wait to make meaningful investments or postpone needed capital upgrades. If we do, costs will continue to balloon along with the risk of damaging system failures that harm our communities, environment, and economy. Thank you for your consideration.

Sincerely,