



Support the Public Works Assistance Account

WPUA urges the legislature to support PUD infrastructure funding by appropriating \$400 million in the Capital Budget for the Public Works Assistance Account and ensuring funding in the Account is protected for its intended purpose.

The need: The Public Works Assistance Account (PWAA) is a vital financial tool that enables PUDs and other entities to invest in infrastructure, ensuring reliable service while keeping rates for customers affordable. The PWAA provides low-interest loans and grants to counties, cities, and special purpose districts including public utility districts to repair, replace or create infrastructure including water and sewer facilities. The Public Works Board administers the Account and is requesting \$400 million in the Capital Budget which will enable PUDs and other local government entities to secure low-cost funding for necessary infrastructure projects. WPUA also urges the legislature to ensure that the future viability of the Public Works Assistance Account is preserved, by protecting the Account from further diversions of funds for uses that deviate from the Account's intended purpose.

Background: In the last biennium, the Public Works Board had \$415 million available for loans and grants for infrastructure projects but received \$597 million in funding requests. The Public Works Board turned down \$182 million in projects due to lack of funding. The Account is oversubscribed, and funding is needed to support investments in critical infrastructure that provides essential services. The Public Works Board is seeking \$400 million in the Capital Budget to support the fund and address the need for low-cost infrastructure funding. WPUA urges support for the funding request.

This funding is important to PUDs seeking affordable low-cost financing. The Public Works Board issues loans for public works projects at half of the market interest rate (1/4 of the market rate for economically distressed communities). It enables PUDs to respond to changing needs and system demands, and to maintain, grow, and modernize systems, and to foster economic development.

In addition to supporting funding for the PWAA, WPUA urges the legislature to protect the future viability of the Public Works Assistance Account by ensuring there are no further diversions of funds. The Account has been adversely impacted by recent diversions of funds for other purposes. Most recently, the legislature moved to divert \$57 million per year from 2024 through 2038 to fund transportation projects for a total of \$855 million for the 15-year term.

The solution: Support the Public Works Board funding request for the Public Works Assistance Account and ensure the Account funds are used for the intended purpose.

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