Washington State Department of Commerce

WASHINGTON STATE
PUBLIC WORKS BOARD

INFRASTRUCTURE BUILDS COMMUNITIES – AFFORDABLE, SUSTAINABLE, READY TO GROW

2025 Public Works Board Legislative Report

Pursuant to RCW 43.155.070

October 9, 2025

Report to the Legislature

Director Joe Nguyễn

WASHINGTON STATE
PUBLIC WORKS BOARD

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Acknowledgments

Washington State Public Works Board
Washington State Department of Commerce, Local Government Division

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Letter from the Public Works Board Chair

On behalf of the Public Works Board, thank you for investing in the state's leading infrastructure financing program benefiting communities, families, and businesses across the state. Enacted in the 1985 legislative session, the Public Works Board (PWB) and Public Works Assistance Account (PWAA) were established to create a reliable and sustainable resource for local governments to meet critical infrastructure needs. During the past four decades, the PWB has provided more than $3.6 billion in low-interest loans and more than $175 million in grants to communities in all 39 counties of our state. In fiscal year 2025 alone, the PWB awarded more than $27 million in grants to 51 distressed and severely distressed communities and about $170 million in low-interest loans.

In the 2023 session, the Legislature appropriated $400 million to the PWB for the 2023-25 biennium. In accordance with RCW 43.155.070, I am pleased to submit our legislative report on PWB activities in fiscal year 2025. These include awards of:

- $172 million in construction funding for 40 projects across the state as authorized under RCW 43.155.060.
- $12.6 million in pre-construction funding to 29 jurisdictions to move projects towards construction as authorized under RCW 43.155.068.
- $3.4 million in emergency funding to five jurisdictions for emergency infrastructure repairs or replacement as authorized under RCW 43.155.065.
- $65.9 million in requests for eligible projects from 15 jurisdictions denied due to lack of funding.

The PWB provides low-interest loans to all communities and some packages that include a grant portion to distressed and severely distressed communities. We also offer technical assistance to improve access to our programs. The PWB traditional program funds domestic water, sanitary sewer, roads, bridges, solid waste and stormwater projects. The PWB broadband program funds broadband construction and emergency projects.

As the demand for housing in our communities continues to grow, so too does the public works infrastructure that underpins housing and economic growth. Clean drinking water and reliable sewer systems are needed to provide affordable and accessible housing. Without the required public works infrastructure underground, housing units cannot function as homes for the people living in them. Public works — often underground and unnoticed until they fail — are undoubtedly the foundation for building successful, sustainable communities.

We celebrated the PWB's 40th anniversary in 2025! Many of you helped us celebrate — we are especially thankful to Reps. Peter Abbarno, Mike Steele, Steve Tharinger, Janice Zahn and Sens. Matt Boehnke, Liz Lovelett, Lisa Wellman, and late Sen. Bill Ramos — there was so much to be proud of. A rich history of partnerships ignited the establishment of the PWAA and shaped the magic of this essential program. We are grateful that both legislative chambers recognized the PWB with resolutions honoring its lasting work (HR 4608 and SR 8607) last session.

We cannot rest on our laurels, however. Local governments are now grappling with a trifecta — as federal infrastructure support has melted away, climate change is requiring changes in water systems. Local governments must plan for population growth with an estimated need for 1.1 million new housing units. We know the Legislature has budget challenges this biennium, yet our funding programs benefit communities across the state to support more housing and economic development. Demand for PWB funding has always exceeded funds appropriated by the Legislature, and we know that local governments rely heavily on this funding.



Kathryn A. Gardow, PE
Public Works Board Chair

Public Works Board 40th anniversary

2025 marks the 40th anniversary of the creation of the Public Works Board and the Public Works Assistance Account. The PWB is grateful that both the House and Senate recognized this national model and the lasting work of the Board with Senate Resolution 8607 and House Resolution 4608 during the 2025 legislative session. Board members and staff were also delighted to honor Sen. Lovelett and Rep. Abbarno as recipients of the Infrastructure Champion awards, who played integral roles sponsoring the resolutions.

The PWB celebrated its 40th anniversary in a variety of ways and venues. Legislators, past board members and staff, partner organizations, and more participated in the PWB's anniversary events held at the State Legislative Building in January and March 2025. Attendees heard special remarks from State Treasurer Mike Pellicciotti, Commerce Director Joe Nguyễn, and PWB Chair Kathryn Gardow. Attendees also learned of the PWB origin story from Nancy Rutledge Connery, who was a staff member responsible for facilitating formation of the Public Works Board in 1985. She provided public works reports from 1983 and 1984 that helped create the bill for establishing the PWB, which are available on the PWB website.

Celebrating the PWB's past 40 years also set the stage for reimagining the program's trajectory for the next 40 years. Insights and ideas for the future are fueled by the motivation to transform the PWB into a stronger, more resilient funding source accessible to all of Washington's communities that can help to expand affordable housing, promote community vitality, and support public health and safety. The PWB is committed to spend its next 40 years supporting local governments and communities to achieve these goals.



Public Works Board 40th anniversary kickoff event (Pictured, front row, from left, member Lora Petso, former members Monica Schmidt-Pinacho and Pam Carter, Chair Kathryn Gardow, member Darlene McHenry, former member Diane Pottinger. Pictured, back row, from left, former member Steve Stuart, Vice-Chair Gary Rowe, former members Kelly Snyder and Josh Diekmann, members Justin Clary and Ed Stern), January 2025.

Executive summary

Authorizing legislation

RCW 43.155.070 requires the PWB to issue this report to the Legislature annually and include:

- The total number of applications and amount of funding requested for public works projects;
- A list and description of projects approved in the preceding fiscal year with project scores against the board's prioritization criteria;
- The total amount of loan and grants disbursements made from the public works assistance account in the preceding fiscal year;
- The total amount of loan repayments in the preceding fiscal year for outstanding loans from the public works assistance account;
- The total amount of loan repayments due for outstanding loans for each fiscal year over the following ten-year period and
- The total amount of funds obligated and timing of when the funds were obligated in the preceding fiscal year.

Overview

The PWB deploys resources from the Public Works Assistance Account (PWAA) to fix critical and failing infrastructure, while at the same time advancing environmental goals, and public health and safety. Without this funding, some small jurisdictions would not have had the capital to make necessary infrastructure improvements. For large jurisdictions, they would have to apply to the private credit markets for their projects, which spends more taxpayer dollars on financing.

The PWB acts as one of the state's "first responders" for financing when a local bridge, sewer pipe, or water treatment plant fails, jeopardizing public safety. With an average response time of two weeks, jurisdictions rely upon the PWB's agility to address emergency situations.

Key findings

The Washington State Legislature appropriated $400 million to the Public Works Board (PWB) for the 2023-25 biennium. The PWB allocated approximately $370 million of the biennial funding to the construction program, with 60% of the funding available in fiscal year 2024 and 40% available in fiscal year 2025. For the fiscal year 2025 round of construction funding, the PWB made a minimum of $147.9 million available. The application cycle was open from April 8, 2024 to June 28, 2024.

The PWB has authority to use up to 20% of the appropriation for preconstruction and emergency grants and loans. Those resources help jurisdictions with planning and design work, and to fix failed infrastructure posing a threat to public health or safety. The pre-construction funding cycle for fiscal year 2025 was open continuously starting from April 8, 2024, and was awarded quarterly. Emergency funding was available year-round, allowing the PWB to act monthly or at special meetings when needed. In fiscal year 2025, the PWB awarded $3.4 million to fund five emergency projects and another $12.6 million to fund 29 pre-construction projects.

The fiscal impact of PWB grants and loans boost local economies, create ripple effects through local jurisdictions across Washington.

- **Lower interest rates** — The PWB issued loans with a 1.71% interest rate in fiscal year 2025. For a $10 million loan paid back over 20 years, the borrower pays $1.8 million in interest. The interest payments cost less than inflation. By comparison, a $10 million loan for 20 years at a 3.5% market-based interest would cost $3.7 million in interest. For this scenario, a PWB loan saves local jurisdictions $1.9 million over the life of a 20-year loan. A

distressed community receiving a rate of 1.37% would pay just $1.4 million in interest over 20 years, saving $2.6 million in taxpayer dollars.

- **No cost to apply** — Applying for a loan from the Public Works Board is easier, cheaper, and faster than borrowing from private banks or through the bond market. The PWB charges no fees, and decisions whether to approve a loan are made within months.

- **Quick benefits for residents** — PWB loans help start and finish projects sooner, improving the health, safety, and well-being of residents, the local community, and the environment.

- **Employment multipliers** — Each project creates more jobs: suppliers earn business, and workers spend their wages locally. For every $1 million spent on construction, the average public works project will generate 5.5 direct jobs, 4.8 supplier jobs, and 6.1 induced jobs from contractors and their workers spending their earnings. That's 16 total jobs generated for each $1 million of construction spending.[1][2]

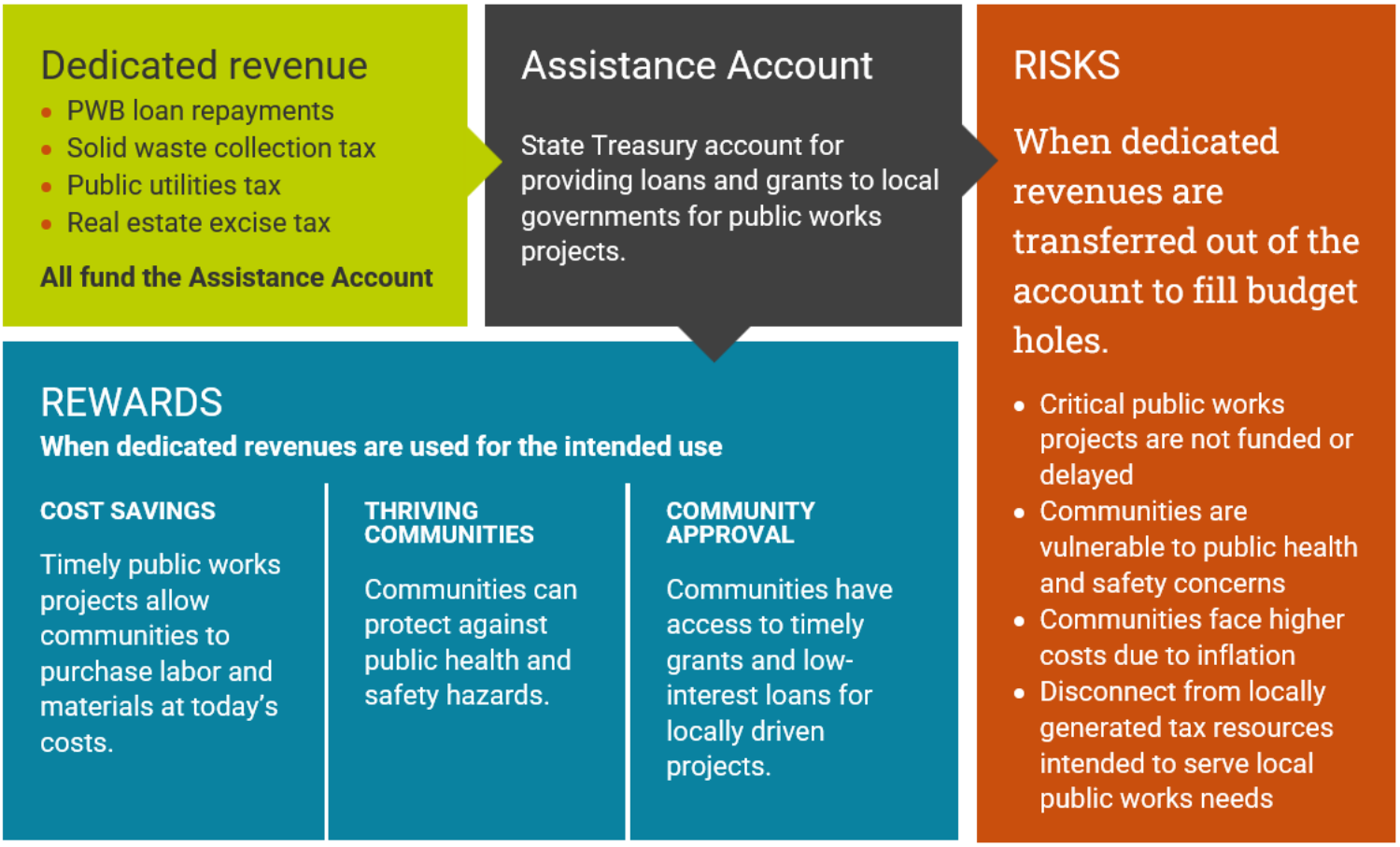
Leveraging the $400 million for capital budget funding authorized in the 2023-25 biennium, the PWB has deployed resources from the PWAA to address critical and failing infrastructure needs, while at the same time advancing environmental goals, public health, and public safety. Without this funding, some small jurisdictions would not have the capital to make necessary infrastructure improvements.

The PWB initiated a hardship policy after careful consideration that identifies distressed and severely distressed communities based on the county-wide unemployment rate and median household income (MHI). The fiscal year 2025 hardship consideration map identifies up front if a community meets a distressed status and is eligible for lower interest rates and partial grants. Distressed communities made up more than half of the funding awards for fiscal year 2025. Of the 74 total construction, pre-construction, and emergency awards, 51 were located in distressed or severely distressed areas and 55 were located in rural areas.

Distressed communities are especially reliant on emergency funding. Of the five awards for emergency projects, four of those projects were in severely distressed, rural areas. Of the $3.4 million awarded for emergencies, the PWB issued $1.6 million in grants. Small cities, towns, counties, and special purpose districts often do not have the staff or expertise to even apply for funding. To meet that need, the PWB extends technical assistance to those jurisdictions through training webinars throughout the year, individual assistance and tech-team meetings with other state funders for jurisdictions, including at the annual Infrastructure Assistance Coordinating Council Conference.

[1] Josh Bivens, Economic Policy Institute, "Updated Employment Multipliers for the U.S. Economy,"
[2] Robert Pollin, Political Economy Research Institute, "Job Creation Estimates Through Proposed Economic Stimulus Measures,"

Public Works Assistance Account Overview



Bonds: risks and costs to the state

Historically, the Legislature has authorized PWB spending authority to provide grants and low-interest loans to local governments for public works projects. With a significant budget shortfall, the 2025 Legislature authorized $365 million in spending authority, including $100 million in bond authority. Bond authority helps the PWB continue supporting communities' public works projects without delay. However, the cost of borrowing bond dollars at market rates is more costly to the state, long-term.

Account transfers: risks and costs to communities

The $402 million transferred from the PWAA to the state general fund in 2025 was intended to help fill the state budget deficit. However, in the long-term, such transfers leave critical projects unfunded and communities more vulnerable to public health and safety threats. This also delays projects today, making projects more costly for communities tomorrow. Maintaining sufficient funding for the PWB's grant and low-interest loan program is particularly important for distressed and severely distressed communities, who may not otherwise have access to affordable financing options or be able to afford rising costs down the road.

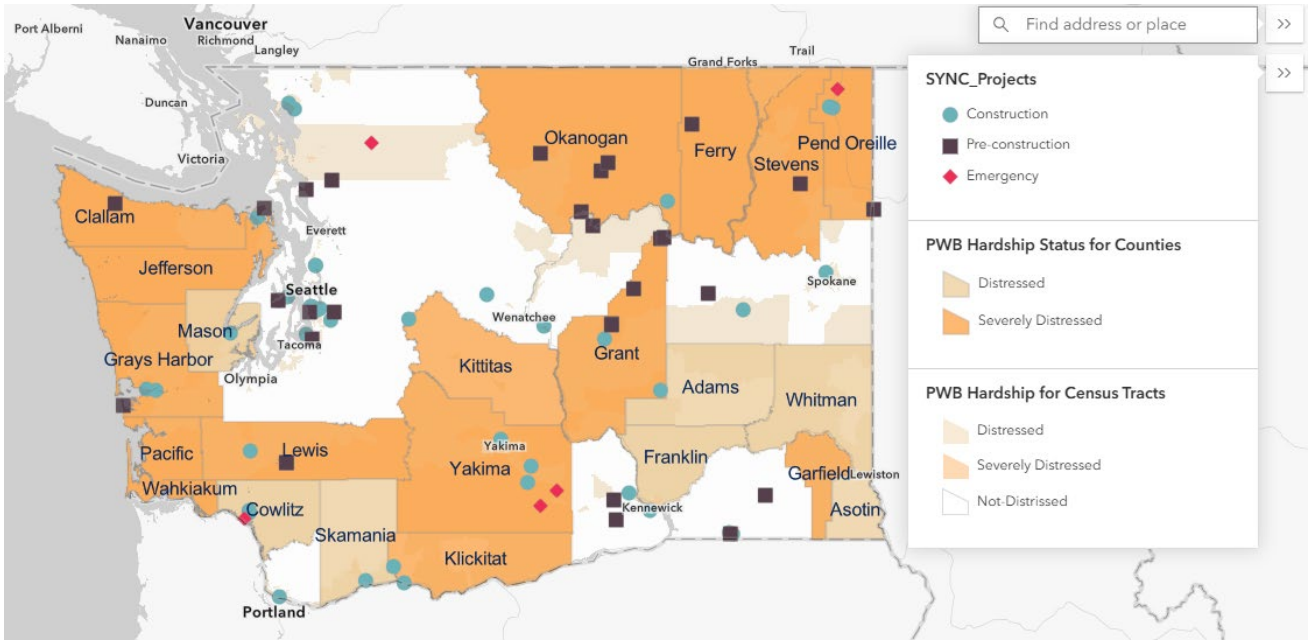
Rewards of intended use

For 40 years, the PWB has been a reliable source of affordable financing options for communities, loaning more than $3.6 billion across over 2,200 projects. All without a single loan default. PWB's grants and low-interest loans are a vital lifeline for local governments, particularly those in distressed and severely distressed areas. It is crucial that the PWAA be allowed to grow as originally intended to keep communities' utility rates low, and to help the state keep pace with growing infrastructure financing demand.

Fiscal year 2025 awards summary

The Public Works Board Fiscal Year 2025 Traditional Program Project Map presents the geographic distribution of PWB awards in fiscal year 2025 for construction, pre-construction, and emergency programs.

Fiscal year 2025 traditional program project map



Summary of approved fiscal year 2025 PWB loans and grants:

- $172 million in construction funding for 40 projects as authorized under RCW 43.155.060.
- $12.6 million in pre-construction funding to 29 jurisdictions to move projects toward construction as authorized under RCW 43.155.068.
- $3.4 million in emergency funding to five jurisdictions for emergency infrastructure repairs or replacement as authorized under RCW 43.155.065.

Summary highlights

Public works in affordable and accessible housing

Affordable and transit-oriented housing requires affordable infrastructure. But infrastructure can be cost-prohibitive to housing projects. Financing for infrastructure planning is key to building housing that can handle growth and adapt to changing climate conditions. The PWAA is critical in helping Washington State plan for and deliver on the projected 1.1 million homes needed in the next 20 years. Many PWB funded projects promote community vitality and economic growth — including greater access to affordable housing. Examples of PWB-funded projects that support accessing affordable housing are listed below:

- **City of Tacoma: Links to Opportunity Streetscape**
  This project improves existing sidewalks to meet ADA standards, which will increase safety and accessibility for businesses and residents along the Sound Transit light rail corridor.

- **City of Bothell: 2024 Utility Relocation**
  This project improves water, sewer, and stormwater utility service to residential neighborhoods, commercial areas, and educational facilities immediately west of downtown Bothell by replacing substandard water mains prone to failure and constructing storm and sewer improvements that address issues such as inflow and

infiltration, exfiltration, enhanced hydraulics for better conveyance, and potential risks for backups. All of the proposed upgrades will enhance system performance to handle increased growth and perform during stronger storm events at a higher level of service than before.

- **City of Walla Walla: Myra Road Extension**
  This project improves accessibility, connectivity, safety, capacity, and development potential for southwest Walla Walla, southeast College Place, and south Walla Walla County by adding roundabouts and extending the roadway, providing direct access to over 50 acres of commercial and residential zoned vacant land south of SR-125. Private development expected subsequent to project completion includes construction of a box retail store on 25 acres of the property and the creation of over 250 new jobs — 50 of which will be salaried family wage jobs.

To synchronize construction of infrastructure that supports housing projects, the PWB partners with the Department of Commerce's Connecting Housing to Infrastructure Program (CHIP), which was created in 2021 to fund utility connections to affordable housing. The program helps local governments encourage the creation of affordable housing by reducing or covering the cost of infrastructure associated with development. Staff housed under the PWB and CHIP collaborate in the scoring of funding applications, leading to a more consolidated and informed understanding of how infrastructure and housing intersect.

Public health and safety

Supporting public health and safety goals was a common motivator for many local jurisdictions that applied for PWB funding. Recent projects funded by the PWB that exemplify a strong commitment to improving public health and safety are listed below.

- **Skyway Water and Sewer District: Sewer Force Main Replacement — Sunset Station (S22A)**
  This project addresses persistent emergency maintenance concerns and reduces the likelihood of sewage overflows to the Duwamish River and ultimately the Puget Sound, upgrading municipal and industrial wastewater facilities in urban and urbanizing areas to reduce disease-causing bacteria and viruses.

- **Valley View Sewer District: VVSD Pump Station Rehabilitation**
  This project modernizes the district's engine-generators, providing for a more resilient pumping system, preventing pollutants from entering the Puget Sound. The project also reduces the likelihood that community members are exposed to harmful bacteria and viruses associated with sewer backups.

Expanding system capacity

Adding and updating public works systems such as sewer connection and extension projects can be incredibly expensive for rural areas that have lacked resources and funding for decades.

Recent projects funded by the PWB that serve as relevant examples of communities expanding system capacity are listed below.

- **Mason County Public Utility District: Manzanita Water Storage**
  The Union Regional Water System has insufficient water storage to connect properties in its service boundaries. This project helps meet current needs of the community with six established water systems in the service area and serves a critical role in the Public Utility District's (PUD) 20-year forecast for residential and commercial development in the Rural Activity Center of Union. Without the infrastructure to support connections to the public water supply, landowners will instead drill permit-exempt wells to make their properties developable. Investing in public water infrastructure supports environmental goals for Mason County and allows the PUD to help grow the customer base that pays into and benefits from the public water system.

- **Kitsap County Public Works: CKTP Solids and Liquid Haul Waste Upgrade**
  Capacity improvements in this project address negative impacts on water quality resulting from discharges of excess nutrients. They also focus on upgrades of municipal and industrial wastewater facilities in urban and urbanizing areas to reduce disease-causing bacteria and viruses and their effects on the Puget Sound.

Preparing and planning for future construction projects

Pre-construction, planning, and design funding is essential for starting the necessary steps to plan for improvements that support public health and safety as well as plan for appropriate growth. This type of funding is especially crucial for small, distressed communities. Examples include:

- **City of Okanogan: Wastewater Treatment Facility Improvements**
  PWB awards of $1 million in pre-construction funding allow for improvements that ensure future wastewater flows and loadings can be met, and the facility can operate at full capacity without constantly piecing together failing equipment, especially components that often fail during peak flows. This not only improves the long-term life of the plant, but also is the type of investment needed to support growing populations and increased wastewater treatment capacity needs.

- **City of Lake Stevens: 36th Street Bridge**
  The 36th Street Bridge has been operating with only one lane since February 2024 and is completely closed to pedestrian and non-vehicular traffic. This funding will ensure adequate design that supports east-west connectivity between neighborhoods, the Centennial Trail, and a major regional trail corridor as well as the Lake Stevens Carriers Annex.

Fiscal year 2025 report

Traditional loan programs

RCW 43.155.070 (4) (a) requires the PWB to balance and consider 19 policy priorities when evaluating applications to their traditional program. The statute directs the PWB to consider the geographic distribution of funds and other factors in its funding actions. The maximum award that the PWB may provide for a jurisdiction is $10 million per biennium, combined between the construction and pre-construction programs. “Traditional” loan programs do not include funding broadband infrastructure.

Construction

In 1985, legislation was enacted RCW 43.155 authorizing the PWB to make low-interest loans and grants to counties, cities, and special purpose districts. These awards are for projects that repair, replace, or create domestic water systems, wastewater systems, stormwater systems, roads, bridges, and solid waste, recycling, and organics facilities. Construction funding cycles are based on an open, competitive process. The loan term is usually 20 years, including five years for construction completion.

Table 1: Fiscal year 2025 construction awards

Leg district	County	Jurisdiction	project name	System type	Grant amount	Total awarded
1	King	City of Lake Forest Park	SR104 & 40th Place NE Roundabout	Road/Street	$0	$2,000,000
1	King	City of Bothell	2024 Utility Replacement Project	Domestic water	$0	$4,300,000
5	King	Soos Creek Water and Sewer District	SE 208th Street Homestead Hill AC Water Main Replacement Project	Domestic water	$0	$4,000,000
6	Spokane	City of Spokane	Francis and Assembly Street and Utility Improvements	Domestic water	$0	$7,300,000
7	Okanogan	Town of Nespelem	Water System Improvements	Domestic water	$1,000,000	$2,000,000
7	Pend Oreille	Town of Ione	Ione — Sewer Repair	Sanitary sewer	$1,247,950	$2,495,900
8, 16	Benton	City of Kennewick	Zone 2 East Olympia Transmission Main	Domestic water	$600,000	$4,000,000
11, 33, 34	King	Valley View Sewer District	North Boulevard Park Sewer Extension	Sanitary sewer	$0	$5,336,005
12	Chelan	City of Leavenworth	Water Transmission Main Replacement: Well Site to Mill St. Construction	Domestic water	$0	$6,260,000
12, 13	King	Snoqualmie Pass Utility District	Sanitary Sewer Infrastructure Repairs	Sanitary sewer	$0	$3,341,216
13	Lincoln	City of Harrington	Harrington — Well 1 Replacement	Domestic water	$180,300	$1,202,000
13	Grant	City of Ephrata	Water Reclamation Facility Improvements Construction	Sanitary sewer	$2,000,000	$6,050,000
13	Douglas	City of Rock Island	City of Rock Island	Domestic water	$240,000	$1,600,000
13	Grant	City of Warden	Water System Improvements	Domestic water	$2,000,000	$9,800,000

Leg district	County	Jurisdiction	project name	System type	Grant amount	Total awarded
14	Klickitat	City of Bingen	East Steuben Waterline Replacement Sections 2 and 3	Domestic water	$187,500	$1,250,000
14	Yakima	City of Toppenish	City of Toppenish Wastewater Treatment Facility	Sanitary sewer	$2,000,000	$8,125,491
14	Klickitat	City of White Salmon	2025 Buck Creek WTP Roof Restorations and Improvements	Domestic water	$202,500	$1,350,000
15	Yakima	Yakima County	Greenhouse Gas Collection and Control System	Solid Waste/ Recycling/ Organics	$500,000	$1,000,000
15	Yakima	City of Selah	Hillcrest Water Main Replacement	Domestic water	$1,263,865	$2,527,731
16	Benton	City of West Richland	Lift Station Retrofit Project	Sanitary sewer	$0	$500,000
16	Walla Walla	City of Walla Walla	Myra Road South Extension Project	Road/Street	$1,000,000	$10,000,000
16	Walla Walla	City of College Place	City of College Place: 6th & Birch Reconstruction Project	Stormwater	$510,368	$3,402,450
17	Skamania	Skamania County Public Utility District No. 1	Underwood PZ 3 Reservoir Replacement Project	Domestic water	$276,862	$1,845,746
19	Cowlitz	Lexington Flood Control Zone District	McCorkle Creek Detention Facility Raise — Phase 2	Stormwater	$1,000,000	$10,000,000
19	Cowlitz	Beacon Hill Water and Sewer District	Lexington Sewer Force Main	Sanitary sewer	$300,600	$2,004,000
19	Grays Harbor	City of Aberdeen	Farragut Pump Station	Stormwater	$2,000,000	$5,000,000
20	Lewis	City of Napavine	City of Napavine — Jefferson Pump Station Upgrade	Sanitary sewer	$1,006,250	$2,012,500
24	Grays Harbor	City of Hoquiam	North Shore Levee West Segment Construction	Stormwater	$2,000,000	$10,000,000
24	Jefferson	Public Utility District No 1 of Jefferson County	Coyle Water Main Replacement	Domestic water	$1,338,970	$2,677,940
26	Kitsap	Kitsap County Public Works	CKTP Solids and Liquid Haul Waste Upgrade Project	Sanitary sewer	$0	$10,000,000
26	Kitsap	Manchester Water District	Well 10 Manganese Treatment Project	Domestic water	$0	$960,000
30, 47	King	Lakehaven Water and Sewer District	Lakota WWTP Solids System Improvements Phase I	Sanitary sewer	$0	$9,500,000
33	King	King County Water District No. 20	Reservoir Improvements and EOC Bldg. — Construction	Domestic water	$0	$2,130,442
34	King	Valley View Sewer District	VVSD Pump Station Rehabilitation	Sanitary sewer	$0	$2,319,200

Leg district	County	Jurisdiction	project name	System type	Grant amount	Total awarded
35	Mason	Mason County Public Utility District No 1	Manzanita Water Storage Project	Domestic water	$692,250	$4,615,000
37	King	Skyway Water & Sewer District	Sewer Force Main Replacement — Sunset Station (S22A)	Sanitary sewer	$0	$800,000
40	Whatcom	City of Bellingham	Cornwall Avenue Landfill Cleanup	Solid Waste/ Recycling/ Organics	$0	$7,345,000
42	Whatcom	Whatcom County Water District No. 2	Whatcom County Water District #2, Cliffside and Old Marine Dr Water Main Replacements	Domestic water	$0	$2,369,000
46	King	Lake Forest Park Water District	Unfunded Interagency Watermain Relocations	Domestic water	$0	$492,771
49	Clark	City of Vancouver	Water Station 4 Treatment Improvements	Domestic water	$0	$10,000,000
Total awards					$21,547,415	$171,912,392

Pre-construction

The Legislature authorized the pre-construction program in 1995 to more quickly advance project planning. Local governments may use pre-construction funding for design and engineering, bid-document preparation, environmental studies, and right-of-way acquisition. Legislation authorized the PWB to offer the program as loans and grants. The maximum award per project is $1 million. The loan term is five years, including two years for project completion. Communities meeting the severe hardship criteria may receive 20% loan forgiveness, after completing the project's scope of work. Communities qualifying and accepting loan forgiveness may have a two-year loan repayment deferral, and may convert from a five-year to a 20-year term prior to their first principal payment. The client must have secured 30% of the project's construction funding to qualify. Preconstruction applications are accepted year-round and awarded quarterly.

During the 2023-25 biennium, there was an increase in pre-construction awards. The PWB awarded $20.5 million to 45 pre-construction and planning projects in the 2023-25 biennium. In fiscal year 2025 alone, that included 12.6 million in pre-construction funding to 29 jurisdictions. The PWB kept the pre-construction and planning cycle open continuously while pooling applications quarterly, which improved the accessibility of the program and resulted in a record number of planning and design projects that will also be the start of forthcoming, well-prepared construction projects.

Table 2: Fiscal year 2025 pre-construction awards

Leg district	County	Jurisdiction	Project name	System type	Grant amount	Total awarded
1	King	City of Bothell	Maywood Water Reservoir Replacement Design	Domestic water	$0	$250,000
7	Grant	City of Electric City	Electric City Small Water System Management Program	Domestic water	$22,500	$45,000
7	Grant	City of Soap Lake	Lift Station and Force Main Improvements Design	Sanitary sewer	$260,500	$521,000
7	Ferry	City of Republic	Water System Plan	Domestic water	$40,000	$80,000
7	Okanogan	City of Brewster	City of Brewster Comprehensive Water System Plan	Domestic water	$82,300	$164,600
7	Okanogan	City of Omak	SR155 Bridge Water Main Improvements	Domestic water	$105,000	$210,000
7	Okanogan	City of Okanogan	Wastewater Treatment Facility Improvements	Sanitary sewer	$500,000	$1,000,000
7	Okanogan	Town of Coulee Dam	Sewer Outfall Survey	Sanitary sewer	$43,500	$87,000
7	Okanogan	Town of Winthrop	Winthrop Waste Water Treatment Plant Design	Sanitary sewer	$500,000	$1,000,000
7	Pend Oreille	City of Newport	Newport Wastewater Treatment Facility Improvements	Sanitary sewer	$460,000	$920,000
7	Douglas	City of Bridgeport	Bridgeport Water System Plan	Domestic water	$13,688	$91,250
9	Columbia	City of Dayton	City of Dayton Land Acquisition Project	Sanitary sewer	$0	$1,000,000
10	Snohomish	City of Stanwood	Wastewater Treatment Plant Aerobic Digestion Improvements	Sanitary sewer	$0	$1,000,000
13	Grant	City of Grand Coulee	Grand Coulee Reservoir and Booster Station Condition and Capacity Analysis	Domestic water	$32,750	$65,500
13	Grant	City of Soap Lake	Soap Lake Wastewater Facility Plan	Sanitary sewer	$47,750	$95,500
13	Grant	Town of Coulee City	Coulee City Small Water System Management Plan	Domestic water	$29,000	$58,000
15	Benton	City of Prosser	WWTP Influent Improvements	Sanitary sewer	$15,105	$100,700
16	Walla Walla	City of College Place	City of College Place: Drinking Water Well #3 Rehab Design	Domestic water	$63,900	$426,000
16	Benton	City of Benton City	Benton City Sewer Line Inspections	Sanitary sewer	$11,316	$75,438
19	Grays Harbor	City of Westport	Westport Water Storage Study	Domestic water	$40,000	$80,000
20	Lewis	Lewis County Water and Sewer District No 6	Wastewater Treatment Facility Plan	Sanitary sewer	$42,500	$85,000

Leg district	County	Jurisdiction	Project name	System type	Grant amount	Total awarded
20	Lewis	Lewis County Water and Sewer District No 6	Small Water System Management Plan Update	Domestic water	$22,500	$45,000
24	Jefferson	City of Port Townsend	Lawrence Street Storm/Sewer Separation	Sanitary sewer	$132,155	$264,310
24	Clallam	PUD #1 of Clallam County	Clallam Bay/Sekiu Reservoir Improvements	Domestic water	$378,367	$756,735
26	Kitsap	City of Port Orchard	Old Clifton Road Water System Intertie	Domestic water	$0	$1,000,000
30, 47	King	Lakehaven Water and Sewer District	Well 10A Manganese Filtration Design Services	Domestic water	$75,000	$500,000
33	King	King County Water District No. 20	Reservoir Improvements and EOC Bldg. — Design	Domestic water	$0	$1,000,000
39	Snohomish	City of Lake Stevens	36th Street Bridge	Bridges	$0	$911,011
39	Skagit	City of Sedro-Wooley	Preliminary Design and Engineering Report for Wastewater Treatment Plant Improvements	Sanitary sewer	$112,500	$750,000
Total Awards					$3,030,331	$12,582,044

Emergency

The PWB began an emergency loan and grant program in 1988. PWB awards emergency construction funding to repair, replace, or reconstruct a facility that will restore essential services. Qualifying projects include infrastructure damaged by a natural disaster or to address an immediate threat to public health and safety due to unforeseen or unavoidable circumstances. The emergency program is open the entire biennium until all allocated funds are exhausted. The loan term is 20 years, or the life of the improvement, whichever is less. The maximum emergency award is $1 million per project.

The emergency program coordinates with other financing agencies to ensure communities can reach the most accessible funding source. In fiscal year 2025, several projects were able to be funded by the Department of Commerce's Emergency Rapid Response (ERR) program and leverage grant funding instead of loans. As an example, the Public Utility District #1 of Pend Oreille secured $1 million from the ERR program and also received a partial award of $200,000 from the PWB emergency program to jointly fund the same emergency project restoring safe, reliable drinking water for the Town of Metaline Falls.

With potential reductions to these programs in the future, the PWB anticipates greater demand for emergency loans and grants.

Table 3: Fiscal year 2025 emergency awards

Leg district	County	Jurisdiction	Project name	System type	Grant amount	Total awarded
7	Pend Oreille	Public Utility District No. 1 of Pend Oreille County	Metaline Falls Transmission Line	Domestic water	$100,000	$200,000
14	Yakima	City of Sunnyside	Wastewater Treatment Plant Emergency Improvements	Sanitary sewer	$500,000	$1,000,000
14	Yakima	City of Toppenish	Wastewater Treatment Plant Emergency Improvements	Sanitary sewer	$500,000	$1,000,000
19	Cowlitz	City of Longview	Cloney Park Stormwater Culvert Replacement	Stormwater	$500,000	$1,000,000
39	Skagit	Town of Concrete	Airport Way 2025 Emergency Repairs	Roads/Streets	$27,750	$185,000
Total awards					$1,627,750	$3,385,000

Rating and ranking

In accordance with RCW 43.155.070, the PWB sets scoring criteria and ranks applications for construction and pre-construction projects after the submission deadline closes. All applicants must meet a set of threshold criteria as defined in RCW 43.155.070 to be considered during the scoring process.

For fiscal year 2025, the PWB set the scoring criteria at their March 15, 2024 meeting. The criteria included a maximum of 100 points for:

- Project Overall Need: Maximum of 70 points.
  - Existing Impacts — Maximum of 40 points.
    - High Impact — 40 points.
    - Moderate Impact — 35 points.
    - Low Impact — 30 points.
  - Project Outcomes — Maximum of 20 points.
  - Documentation of Situation — Maximum of 10 points.
- Readiness to Proceed and Local Management Effort — Maximum of 30 points.

The minimum score to meet funding threshold was 65 points.

Interest rates

The PWB sets the interest rate for loans prior to opening each application cycle. The rate is based on the average GO-11 Bond Index rates for the preceding 30-to-60-day period. For construction projects applying in the fiscal year 2025 funding cycle, the interest rate was set to 1.71% and reduced to 1.37% for distressed or 0.86% for severely distressed jurisdictions. For pre-construction projects applying in the fiscal year 2025 funding cycle, the interest rate was set to 0.86% and reduced to 0.68% for distressed or 0.43% for severely distressed jurisdictions.

Unfunded projects

For the fiscal year 2025 traditional public works construction loan cycle, 15 projects worth $66 million met the approved threshold for funding but were not approved due to a lack of available state-appropriated funds.

Programs overview: Broadband

In 2019, Senate Bill 5511 was enacted as Chapter 365, Laws of 2019, authorizing the PWB to establish a competitive grant and loan program to expand broadband access in unserved areas of the state.[34] Investments under this authority are for the acquisition, installation, and construction of middle-mile and last-mile broadband infrastructure. Funds may also be used for strategic planning for the deployment of broadband service. This is codified under RCW 43.155.160.

Eligible applicants include local governments, federally recognized Indian tribes, nonprofit and cooperative organizations, special purpose districts, quasi-municipal corporations, limited liability corporations organized for the purpose of expanding broadband access, and incorporated businesses or partnerships. The PWB Broadband Program's goal is to connect people who are not currently served by speeds of at least 100 Mbps download and 20 Mbps upload. Through a competitive process, the PWB Broadband Program emphasizes project readiness and feasibility while also considering the role of the community in project planning. All assets or infrastructure created with PWB funding must be maintained for public use for a period of at least 15 years. The PWB may fund up to 50% of the total project cost in non-distressed and non-Indian Country areas. In distressed or Indian Country areas, the PWB may fund up to 90% of the total project cost.

Construction

The PWB Broadband construction funding program has provided state and federal funding for projects in rural and urban counties, connecting more than 10,000 unserved homes and businesses in Washington. During the 2022 legislative session, the PWB requested statutory amendments for program improvements and to provide funding for critical broadband infrastructure that has been damaged by unforeseen events. Final rules for these changes were implemented in March of 2023.

Emergency

The emergency broadband program currently has $1 million available. Eligible projects include construction, repair, reconstruction, replacement, rehabilitation, or improvement to existing broadband infrastructure made necessary by a natural disaster or damaged by unforeseen events. The Board grants priority to emergency projects that replace existing infrastructure of the provider whose facilities were damaged by the unforeseen event.

Interest rates

The interest rate is set prior to each cycle and is based on the average daily market rate for tax-exempt municipal bonds for the preceding 30-to-180-day period. The interest rates for fiscal year 2025 were set by Board action at its June 2, 2023 meeting. For fiscal year 2025, the interest rate on a 15-year loan ranged between 0.42% and 1.69% depending on community financial health categorized as severely distressed, distressed, and standard.

Broadband coordination

The Community Economic Revitalization Board (CERB), the Washington State Broadband Office (WSBO), and the PWB coordinate and collaborate intentionally to further the state's broadband goal to connect every home and

business with high-speed internet access. The three entities meet regularly, participate in application cycle reviews, co-present at conferences and workshops, and fund broadband projects together.

Public Works Assistance Account update

The Public Works Assistance Account receives revenues from the real estate excise tax, public utility tax, the solid waste tax, and PWAA loan repayments. These revenues support infrastructure financing for local governments as well as other programs as directed by the Legislature.

Table 4: PWAA diversions in the 2023-25 biennium

Program	Amount
Conservation Commission	$10,000,000
Move Ahead WA Account	$114,000,000
Drinking Water State Revolving Fund 20% State Match	$3,000,000
Clean Water State Revolving Fund 20% State Match	$35,000,000
Community Aviation Revitalization Board (CARB)	$5,000,000
Total Diversions	$167,000,000

Loan activity and estimated loan repayments

In fiscal year 2025, the PWB awarded 40 construction project loans for $169 million, 29 pre-construction project loans for close to $12.6 million, and five emergency project loans for $3.4 million. Each awarded application met the PWB's threshold criteria outlined in RCW 43.155.070.

Table 5: Fiscal Year 2025 Public Works Board loan activity by program

Loan program	Applicants	Amount requested	Awards	Amount awarded	Amount unfunded
Construction	58	$234,964,078	40	$169,012,992	$65,951,086
Pre-construction	29	$12,582,044	29	$12,582,044	$0
Emergency	4	$3,185,000	4	$3,185,000	$0
Broadband	0	$0	0	$0	$0

The PWB each year receives loan payments from projects funded as far back as 2004. Revenue to the PWAA includes both the principal and interest from those loans. In fiscal year 2025, the PWAA received $83.5 million in loan repayments from received PWB funding in previous cycles.

Estimated loan repayments for fiscal year 2026 to fiscal year 2035

During the next 10 years, the anticipated level of loan repayments for active loans is nearly $413 million. Historically, 50% of repayments that are due in July are actually received in June. Repayment calculations based on funds drawn by June 30 are not an estimate of how much will be drawn in the next five years. Rather, calculations represent the amount of loan repayments that the PWAA would receive within a standard repayment schedule.

Table 6: Estimated loan repayments FY26-FY35

Fiscal year	Estimated loan repayment
FY26	$72,410,597
FY27	$64,678,703
FY28	$58,918,172
FY29	$48,533,763
FY30	$44,206,301
FY31	$43,320,414
FY32	$31,179,328
FY33	$25,345,060
FY34	$24,270,911
FY35	$23,989,846

Appendix A: Public Works Board members

General Public representatives

- Board Chair, Kathryn A. Gardow, PE, Seattle
- Vice-Chair, Gary Rowe, PE, Norland
- Darlene McHenry, Liberty Lake
- Monica Schmidt-Pinacho, Vancouver, term ended July 2025. Seat vacant as of July 2025.

City representatives

- The Honorable Dr. Jeralee Anderson, PE, City of Redmond Council Member
- The Honorable Ed Stern, City of Poulsbo Deputy Mayor
- Josh Diekmann, City of Tacoma Transportation Manager, term ended June 2025. Seat vacant as of June 2025.

County representatives

- The Honorable Jerome Delvin, Benton County Commissioner
- Kelly Snyder, MPA, Snohomish County Public Works Director, term ended July 2025. Seat vacant as of July 2025.
- The Honorable Sharon Trask, Mason County Commissioner

Public Utility District representative

- Matthew Stevie, Okanogan Public Utility District Environmental Coordinator

Sewer and Water District representatives

- Justin Clary, PE, Lake Whatcom Water and Sewer District General Manager
- The Honorable Lora Petso, Olympic View Water and Sewer District Commissioner