



March 25, 2016

Senator Jan Angel
1700 SE Mile Hill Drive, Suite 236
Port Orchard, WA 98366

Dear Senator Angel,

Please reconsider and leave the Public Works Assistance Account for critical local infrastructure.

If this funding source is not available, system replacement projects are deferred and may lead to critical failures. This would not be good for Gig Harbor or for the State.

In my experience, the utilities operated by cities/districts/counties are not willing to go to the bond market for system replacement projects (water and sewer lines) and instead defer and delay replacement until it can be afforded or there is an emergency.

The federally funded programs (Ecology SRF and Health Drinking Water SRF) generally rank system replacement as the lowest type of project. The federal funds are targeted more toward systems that are already out of compliance.

The PWAA was designed to provide incentive for communities to be proactive and complete system replacement programs to avoid critical failure. As one community completes their project, the next can begin when there is a consistent and reliable source of funding to assist.

The PWAA also allows the community to complete the project now and pay for years compared to save for years and do the project at some undetermined point in the future (if some emergency does not require funding first).

Since 2013, over a billion dollars in resources have been diverted from the Public Works Assistance Account. This has meant dozens of projects have gone unfunded. Cities, unlike counties, do not have a dedicated road fund and there are no other transportation land opportunities at the state level. The loss of access to the trust fund for these projects means serious difficulty in putting these sorts of projects on the ground.

Gig Harbor received a Public Works Assistance Account loan on \$4.85 million at .25% interest in 2012 in order to complete its Wastewater Treatment Plant improvements and expansion. Without this loan, the City likely would have gone to the bond market which would have cost \$140,300 more each year over the 20-year life of the bond, \$2.8 million more. It should be noted that completing this wastewater treatment project was an unfunded mandate from the State.

Please help us to restore these funds and to stop the sweeps from this account.

Sincerely,

A handwritten signature in black ink that reads "Jill Guernsey". The signature is written in a cursive, flowing style.

Jill Guernsey
Mayor, City of Gig Harbor