



**Washington Association  
of Sewer & Water Districts**

EDUCATE ■ ADVOCATE ■ COLLABORATE

Friday, April 8, 2016

Hon. Jay Inslee, Governor  
State of Washington  
P.O. Box 40002  
Olympia, WA 98504-0002

*Re: Request to Veto Section 935 in H-4773.2, the Striking Amendment to ESHB 2376  
(Supplemental Operating Budget)*

Dear Governor Inslee:

We wish to add our voice to that of the Public Works Board and others who care about our state's infrastructure. The members of the Washington Association of Sewer & Water Districts (WASWD) include special purpose water-sewer districts and others in the industry, including engineers, lawyers, scientists, manufacturers, and suppliers. On behalf of our members and the Board of Directors, we urge you to veto Section 935 in H-4773.2, the Striking Amendment to ESHB 2376 (Supplemental Operating Budget). This section of the bill would sweep over \$227 million from the Public Works Assistance Account and effectively kill the program.

For almost 30 years Washington water-sewer districts, cities, counties, and PUDs have had access to low interest loans for building new and replacement infrastructure through the Public Works Assistance Account. This program is a model being copied in other states. It has been the subject of legislative studies to see if it could be improved. Nothing substantive came from these studies. Why? Because it's a sterling example of a government program that works and meets real needs.

This program was set up to be a revolving fund to be fully funded by means of utility and other taxes levied by local governments and utilities. In fact, local governments agreed to these taxes in exchange for the fund's creation. The agreement between the state and local governments was based upon trust. It is for this reason that the Public Works Assistance Account is more commonly called the Public Works Trust Fund (PWTF).

That trust is being breached by the Legislature. No new infrastructure loans have been made since 2012 because the funds in the PWTF have been swept and diverted to the general fund. This is a dangerous, shortsighted path as the recent events in Flint, Michigan prove. The residents of Flint were paying the highest water rates in the nation. One would think that they would have an excellent, state-of-the-art water system. But they didn't. And the reason was that revenue from the water utility was being diverted to the city's general fund.

Hon. Jay Inslee  
April 8, 2016  
Page 2 of 2

The Legislature has made it plain that it intends to destroy the PWTF. The Supplemental Budget declares that it intends to “continue the **policy** since 2013 of not authorizing new loans from the account...” (emphasis added.) It has not created an alternative way of funding needed infrastructure. The only reason the Legislature is adopting this “policy” is because it doesn’t want to face its long-term responsibilities to the residents of this state. This is easily demonstrated simply by asking this question: *What problem is being solved by eliminating the Public Works Assistance Account?* The answer is: *None*. The fact is that eliminating the PWTF compounds problems, as our local government infrastructure needs will only continue to grow because of lack of funding. As envisioned by the Senate majority that drove this budget, taxpayers from local governments will continue to pay taxes that were supposed to be dedicated to pay for infrastructure and will pay for that infrastructure a second time when their rates or other taxes rise to make up for the diversion of those funds.

The *Seattle Times* in its editorial on March 31 astutely observed that the money diverted from the Public Works Assistance Account was nothing more than one of several “budget gimmicks” that papers over the Legislature’s failure to reform the state’s education financing model.

For these reasons we urge you to veto Section 935 in H-4773.2, the Striking Amendment to ESHB 2376. We understand that the Legislature needs to fully fund education. But, the budget challenge cannot be framed as either education or infrastructure. It needs to be **both** education **and** infrastructure. Both are needed for Washington to thrive in the future. That’s the message our legislators need to hear. Your veto will send the right message.

Sincerely,

A handwritten signature in blue ink that reads "Blair B. Burroughs". The signature is written in a cursive, flowing style.

Blair B. Burroughs  
Executive Director