

WASHINGTON · WATER UTILITIES · CAPITAL BRIEFING

Washington's water runs on snowpack. Your capital plan can't afford to.

A fourth straight drought year, a \$34.9 billion infrastructure bill, King County CSO deadlines that don't move, and new PFAS and lead mandates all landing at once. For a utility CFO or capital lead, each of those forces reshuffles the projects on your list. Invizion helps Washington utilities re-sequence a capital portfolio in a click — and defend every decision.

\$34.9B¹ Washington's 20-year drinking-water and wastewater infrastructure need — \$16.3B water, \$18.6B wastewater.	4th² Consecutive year of statewide drought in 2026 — a record under the framework Washington set in 1989.	~\$771M³ In closed WIFIA federal loans to Washington water and wastewater borrowers to date.	\$718M¹ Federal State Revolving Fund water dollars to Washington since 2022 — about \$149M earmarked for lead lines.
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THE WASHINGTON LANDSCAPE

Four forces are moving your project list at once

None of these is theoretical, and none of them waits for your next budget cycle. Together they mean the capital plan you approved last year may already be the wrong plan.

SUPPLY — SNOWPACK & DROUGHT

A water supply that swings with the snowline

Washington's water supply runs on snowpack, and the snow has been failing. 2026 brought the state's fourth consecutive drought declaration — a record under the framework the Legislature created in 1989 — after compounding precipitation deficits in 2023, 2024, and 2025²

The declarations are not uniform: in spring 2026 the Yakima Basin was projected at just 44% of its normal water supply² For a utility that plans capital against a firm yield, storage, interties, and reuse stop being long-range ideas and become near-term projects.

WASTEWATER — CSO

Consent-decree deadlines that don't move

The Puget Sound region carries one of the country's heaviest combined-sewer-overflow obligations. King County has driven annual CSO discharges down from roughly 2.3 billion gallons to about 1 billion, and operates under a federal consent decree that holds each controlled outfall to no more than one overflow a year on a long-term average⁴

That work is capital-intensive and unforgiving on schedule — the Ship Canal Water Quality Project and the Georgetown Wet Weather Treatment Station together drew hundreds of millions in WIFIA financing.³ And the region's largest plant, West Point — 90 MGD in dry weather but over 300 MGD in storms — showed what failure costs when a 2017 power trip released more than 180 million gallons, including 30 million gallons of raw sewage, into Puget Sound.⁵

RENEWAL & GROWTH

A \$34.9B backlog, and more connections coming

Washington's drinking-water and wastewater systems carry an estimated \$34.9 billion in 20-year infrastructure needs — \$16.3 billion on the drinking-water side and \$18.6 billion for wastewater. That is the state's slice of a national \$625 billion drinking-water need in EPA's most recent survey⁶.

Renewal is not the only claim on those dollars. The Puget Sound corridor is among the fastest-growing regions in the West, and every new connection is a capacity commitment that competes with pipe replacement and compliance for the same capital.

COMPLIANCE — PFAS & LEAD

New mandates stacking on the old backlog

Washington's PFAS State Action Levels took effect in January 2026 — 4.0 parts per trillion for PFOA and PFOS, aligned with the federal limits that become enforceable in 2029 — and the state reports PFAS detections in many public drinking-water sources⁷.

Lead is the other funded mandate: roughly \$149 million of Washington's federal water dollars is dedicated to lead service line work, and systems are now inventorying and replacing lines on a federal clock.¹ New obligations don't replace the backlog — they stack on it, and something on the list has to move.

WHO RUNS WASHINGTON'S WATER

A municipal-and-district state with a very long small-system tail

Washington's largest metros run their own water and wastewater utilities, backed by regional wholesalers and special-purpose districts. Investor-owned water is a small slice, rate-regulated by the UTC. Most systems here are small — and that is where the funding and compliance gaps bite hardest.

Municipal & regional utilities

Rates set by councils, commissions & district boards

Seattle Public Utilities ~1.3M served direct + wholesale to 19 systems · Cedar & Tolt watersheds⁸

Tacoma Water ~100,000 connections · 117 sq mi · Green River supply⁹

Cascade Water Alliance ~350,000 residents + 20,000 businesses · Lake Tappan¹⁰

King County Wastewater Treatment Division ~2M served · 18 cities + 15 sewer districts¹¹

Everett, Spokane, Vancouver Large municipal water & sewer systems

About 6.2 million Washingtonians — 85% of the state — get their drinking water from public water systems.¹²

Districts, private systems & the small-system tail

Investor-owned water rate-regulated by the UTC

Water & sewer districts and PUDs Special-purpose public utilities statewide

UTC-regulated private water companies 100+ connections · rates set by the UTC¹³

Thousands of small Group A & B systems Where funding & compliance gaps hit hardest

The UTC regulates privately owned water companies with 100 or more connections; municipal and district systems set their own rates.¹³

Every capital dollar has to be defensible

Whether you answer to the UTC or a city council, the question is the same: why this project, why now, why at this cost? Washington's oversight bodies are asking it harder than ever.

Washington Utilities & Transportation Commission (UTC) sets rates for privately owned water companies with 100 or more connections (or charging above the state threshold); municipal and district systems are exempt¹³

City councils, commissions & district boards approve rates and capital for the municipal and special-purpose utilities that serve most Washingtonians — in public, in front of ratepayers.

Washington Department of Health holds Safe Drinking Water Act primacy: PFAS State Action Levels, Lead & Copper Rule service-line inventories, and the compliance capital that follows⁷

Washington Department of Ecology issues Clean Water Act (NPDES) permits and enforces the CSO control standard behind the region's consent-decree work.⁴

The money is moving — can your plan absorb it?

Washington utilities have more capital funding available than they've had in a generation. The constraint is no longer only dollars — it's readiness: which projects are shovel-ready, which qualify, and how the timing lines up with everything else on the list.

Drinking Water SRF — ~\$479M since 2022 including roughly \$149M dedicated to lead service lines. The final BIL cycle offers about \$120M with up to \$12M per jurisdiction and up to 100% forgivable principal for lead and emerging-contaminant projects¹¹⁴

Clean Water SRF — ~\$239M since 2022 administered by the Department of Ecology for wastewater, stormwater, and water-quality projects.¹

WIFIA — ~\$771M in closed federal loans to Washington borrowers, including SPU's \$192M Ship Canal loan and King County's \$194M and \$89M wastewater-improvement loans³

PFAS & emerging contaminants — DOH emerging-contaminant grants of up to \$500K per project have helped fund PFAS treatment in Vancouver and reuse upgrades in Pasco¹⁴¹

USDA Rural Development Water & Waste Disposal loans and grants remain the backbone for small and rural Washington systems¹⁵

WASHINGTON WATER, IN BRIEF

Questions Washington utility leaders are asking

Short, sourced answers — the same facts we'll dig into on a call, in the context of your system.

How big is Washington's water infrastructure funding gap?

Washington's drinking-water and wastewater systems carry an estimated \$34.9 billion in 20-year needs — \$16.3 billion for water and \$18.6 billion for wastewater. The roughly \$718 million in federal SRF water funding since 2022 covers only about 2% of that gap, so most of the bill still falls to local capital plans and rates.¹

Is Washington in a drought?

Yes. 2026 marked the state's fourth consecutive drought declaration — a record under the framework established in 1989 — following compounding deficits in 2023, 2024, and 2025. Conditions vary by basin; in spring 2026 the Yakima Basin was projected at just 44% of its normal water supply. Because Washington's supply depends heavily on snowpack, a weak winter translates directly into a tighter summer.²

Who sets my water utility's rates?

It depends on ownership. The Utilities and Transportation Commission regulates rates for privately owned water companies with 100 or more connections. Municipal utilities — Seattle, Tacoma, Everett, Spokane and others — and water and sewer districts set rates through their own councils, commissions, or boards. Either way, capital spending has to be justified to a governing body and to ratepayers.³

What are Washington's PFAS drinking-water rules?

Washington's State Action Levels took effect in January 2026, setting 4.0 parts per trillion for PFOA and PFOS and Hazard-Index limits for other compounds, aligned with the federal maximum contaminant levels that become enforceable in 2029. The state reports PFAS detections in many public drinking-water sources, so treatment and source work are now funded compliance projects, not optional ones.⁴

What funding is available for Washington water projects?

Since 2022 Washington has received about \$479 million through the Drinking Water SRF (including roughly \$149 million for lead lines) and about \$239 million through the Clean Water SRF, plus roughly \$791 million in closed WIFIA loans to state borrowers and ongoing USDA Rural Development loans and grants for small systems. The constraint is increasingly readiness and sequencing, not the existence of dollars.⁵

How does Invizion help Washington water utilities plan capital?

Invizion is scenario-based capital portfolio optimization for water utilities. It lets you model how a drier snowpack year, a WIFIA award, a CSO consent-decree milestone, or a PFAS deadline reshuffles your whole project list, re-sequence the portfolio automatically, and keep a defensible record of every decision for the UTC, your board, or ratepayers. The best next step is a short first meeting to look at it against your own program.

REFERENCES

Sources

Every figure in this briefing is tied to a primary or authoritative source.

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3. U.S. EPA, "WIFIA Closed Loans" — Washington borrowers total ~\$771M, incl. SPU Ship Canal \$192M (2020), King County Ship Canal \$96M (2021), Georgetown Wet Weather \$135M (2018), King County Wastewater 2024 Improvements \$194M (2024) + \$89M (2024), Black Diamond Trunk Sewer \$65M (2026), 2026. epa.gov
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5. Wikipedia, "West Point Treatment Plant" — ~90 MGD dry / 300+ MGD wet / 440 MGD max primary; February 2017 failure discharged 180M+ gallons incl. ~30M gallons of raw sewage, 2017. en.wikipedia.org
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ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for water and wastewater utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See what a defensible Washington capital plan looks like — book a 20-minute first meeting.

Book your first meeting →