

SENATE BILL REPORT

HB 2707

As Reported by Senate Committee On:
Government Operations & Elections, February 18, 2010

Title: An act relating to the method of calculating public utility district commissioner compensation.

Brief Description: Concerning the method of calculating public utility district commissioner compensation.

Sponsors: Representatives Simpson, Angel, Finn and Kretz.

Brief History: Passed House: 2/10/10, 96-0.

Committee Activity: Government Operations & Elections: 2/18/10 [DP, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; McDermott and Pridemore.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach, Ranking Minority Member.

Staff: Alison Mendiola (786-7483)

Background: Special Purpose Districts. Special purpose districts (SPDs) are limited purpose local governments separate from a city, town, or county that provide services and facilities that are otherwise not available from city or county governments. Most powers of SPDs are vested in a board of district commissioners.

In 2007 the Legislature increased the maximum annual and per diem compensation for several SPD commissioners, such as commissioners of public port districts, metropolitan park districts, water-sewer districts, public hospital districts, and cemetery districts. The maximum per diem compensation for public utility district commissioners was increased from \$70 per day to \$90 per day.

Public Utility Districts. Public utility districts (PUDs) are SPDs authorized to generate and distribute electrical energy, provide potable water, and provide sewer and telecommunications services. Public utility districts are governed by an elected board of

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commissioners composed of either three or five members. Commissioners receive per diem compensation for each day spent devoted to the business of the PUD at a rate not exceeding \$90 per day and \$12,600 in any year. In addition, PUD commissioners receive salaries as follows:

- In PUDs receiving total gross revenue of more than \$15 million in the previous fiscal year, commissioners receive a salary of \$1,400 per month. The board of commissioners may pass a resolution to increase monthly salary to \$1,800.
- In PUDs receiving total gross revenue from \$2 million to \$15 million in the previous fiscal year, commissioners receive a salary of \$1,000 per month. The board of commissioners may pass a resolution to increase monthly salary to \$1,300.
- The commissioners of any other PUD serve without salary. The board of commissioners may pass a resolution to provide for monthly salary not exceeding \$600 for each commissioner.

Commissioners may choose to waive all or any portion of their compensation.

Summary of Bill: Provisions authorizing PUD commissioners to increase monthly compensation through resolution are removed. The statutorily established salaries of PUD commissioners are changed to equal the maximum amounts that may currently be authorized by a combination of the previous statutory amounts and a resolution of the PUD commissioners. The salaries are set as follows:

- \$1,800 in PUDs receiving total gross revenues of more than \$15 million in the previous fiscal year;
- \$1,300 In PUDs receiving total gross revenues of \$2 million to \$15 million in the previous fiscal year; and
- \$600 for any other PUD.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill is a clean-up bill. PUD's are the last of the special purpose districts where compensation is set by both the legislation and resolution. This bill puts the compensation in statute and eliminates commissioner's having to pass resolutions to increase compensation. The statute is antiquated in this regard. This bill resolves the auditor's issue about commissioners voting on their own compensation.

Persons Testifying: PRO: Commissioner Bruce Jorgenson, Mason County Public Utility District 3; Bill Clarke, Washington Public Utility District Association.