CERTIFICATION OF ENROLLMENT

## SUBSTITUTE SENATE BILL 5364

62nd Legislature 2011 Regular Session

Passed by the Senate March 2, 2011 YEAS 28 NAYS 21

President of the Senate

Passed by the House April 7, 2011 YEAS 52 NAYS 40

Speaker of the House of Representatives

Approved

FILED

Secretary of State State of Washington

Governor of the State of Washington

## CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5364** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

## SUBSTITUTE SENATE BILL 5364

Passed Legislature - 2011 Regular Session

## State of Washington 62nd Legislature 2011 Regular Session

**By** Senate Environment, Water & Energy (originally sponsored by Senators Swecker, Pridemore, Fraser, Nelson, Honeyford, Shin, and Morton; by request of Department of Health)

READ FIRST TIME 02/09/11.

1 AN ACT Relating to public water system operating permits; and 2 amending RCW 70.119A.110.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 Sec. 1. RCW 70.119A.110 and 2003 1st sp.s. c 5 s 18 are each 5 amended to read as follows:

(1) No person may operate a group A public water system unless the 6 7 person first submits an application to the department and receives an operating permit as provided in this section. A new application must 8 9 be submitted upon any change in ownership of the system. ((<del>Any person</del> 10 operating a public water system on July 28, 1991, may continue to 11 operate the system until the department takes final action, including 12 any time necessary for a hearing under subsection (3) of this section, 13 on a permit application submitted by the person operating the system 14 under the rules adopted by the department to implement this section.))

15 (2) The department may require that each application include the 16 information that is reasonable and necessary to determine that the 17 system complies with applicable standards and requirements of the 18 federal safe drinking water act, state law, and rules adopted by the 19 department or by the state board of health.

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(3) Following its review of the application, its supporting 1 2 material, and any information received by the department in its investigation of the application, the department shall issue or deny 3 4 the operating permit. The department shall act on initial permit applications as expeditiously as possible, and shall in all cases 5 either grant or deny the application within one hundred twenty days of 6 7 receipt of the application or of any supplemental information required 8 to complete the application. The applicant for a permit shall be entitled to file an appeal in accordance with chapter 34.05 RCW if the 9 10 department denies the initial or subsequent applications or imposes conditions or requirements upon the operator. Any operator of a public 11 12 water system that requests a hearing may continue to operate the system 13 until a decision is issued after the hearing.

14 (4) At the time of initial permit application or at the time of 15 permit renewal the department may impose such permit conditions, 16 requirements for system improvements, and compliance schedules as it 17 determines are reasonable and necessary to ensure that the system will 18 provide a safe and reliable water supply to its users.

(5) Operating permits shall be issued for a term of one year, and shall be renewed annually, unless the operator fails to apply for a new permit or the department finds good cause to deny the application for renewal.

23 (6) Each application shall be accompanied by an annual fee ((as 24 follows:

25 (a) The annual fee for public water supply systems serving fifteen
 26 to forty-nine service connections shall be twenty-five dollars.

27 (b) The annual fee for public water supply systems serving fifty to 28 three thousand three hundred thirty-three service connections shall be 29 based on a uniform per service connection fee of one dollar and fifty 30 cents per service connection.

31 (c) The annual fee for public water supply systems serving three 32 thousand three hundred thirty-four to fifty-three thousand three 33 hundred thirty-three service connections shall be based on a uniform 34 per service connection fee of one dollar and fifty cents per service 35 connection plus ten cents for each service connection in excess of 36 three thousand three hundred thirty-three service connections.

37 (d) The annual fee for public water supply systems serving fifty-

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1 three thousand three hundred thirty-four or more service connections

2 shall be ten thousand dollars.

3 (e) In addition to the fees under (a) through (d) of this
4 subsection, the department may charge an additional one-time fee of
5 five dollars for each service connection in a new water system.

6 (f) Until June 30, 2007, in addition to the fees under (a) through 7 (e) of this subsection, the department may charge municipal water 8 suppliers, as defined in RCW 90.03.015, an additional annual fee 9 equivalent to twenty-five cents for each residential service connection 10 for the purpose of funding the water conservation activities in RCW 11 70.119A.180)).

12 (7) The department shall adopt rules, in accordance with chapter
 13 34.05 RCW, necessary to implement this section.

(8) The department shall establish by rule categories of annual 14 operating permit fees based on system size, complexity, and number of 15 16 service connections. Fees charged must be sufficient to cover, but may 17 not exceed, the costs to the department of administering a program for safe and reliable drinking water. The department shall use operating 18 permit fees to monitor and enforce compliance by group A public water 19 20 systems with state and federal laws that govern planning, water use efficiency, design, construction, operation, maintenance, financing, 21 22 management, and emergency response.

(((7))) (9) The annual per-connection fee may not exceed one dollar 23 24 and fifty cents. The department ((may)) shall phase-in ((the)) implementation ((for any group of systems provided)) of any annual fee 25 26 increase greater than ten percent, and shall establish the schedule for 27 implementation ((is established)) by rule. ((Prior to implementing the operating permit requirement on water systems having less than five 28 29 hundred service connections, the department shall form a committee composed of persons operating these systems. The committee shall be 30 31 composed of the department of health, two operators of water systems 32 having under one hundred connections, two operators of water systems having between one hundred and two hundred service connections, two 33 34 operators of water systems having between two hundred and three hundred 35 service connections, two operators of water systems having between 36 three hundred and four hundred service connections, two operators of 37 water systems having between four hundred and five hundred service 38 connections, and two county public health officials. The members shall

be chosen from different geographic regions of the state. This committee shall develop draft rules to implement this section. The draft rules will then be subject to the rule-making procedures in accordance with chapter 34.05 RCW.)) Rules established by the department prior to 2020 must limit the annual operating permit fee for any public water system to no greater than one hundred thousand dollars.

8 ((<del>(8)</del>)) <u>(10)</u> The department shall notify existing public water 9 systems of the requirements of RCW 70.119A.030, 70.119A.060, and this 10 section at least one hundred twenty days prior to the date that an 11 application for a permit is required pursuant to RCW 70.119A.030, 12 70.119A.060, and this section.

13 (((9))) (11) The department shall issue one operating permit to any 14 approved satellite system management agency. Operating permit fees for 15 approved satellite system management agencies ((shall be one dollar per connection per year for the total number of connections under the 16 17 management of the approved satellite agency. The department shall 18 define by rule the meaning of the term "satellite system management 19 agency." If a statutory definition of this term exists, then the 20 department shall adopt by rule a definition consistent with the 21 statutory definition)) must be established by the department by rule. 22 Rules established by the department must set a single fee based on the total number of connections for all group A public water systems owned 23 24 by a satellite management agency.

(((10))) (12) For purposes of this section, "group A public water system" and "system" mean those water systems with fifteen or more service connections, regardless of the number of people; or a system serving an average of twenty-five or more people per day for sixty or more days within a calendar year, regardless of the number of service connections.

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