

SENATE BILL REPORT

E2SSB 5448

As Passed Senate, March 13, 1995

Title: An act relating to public water systems.

Brief Description: Modifying provisions for public water system regulation.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Hochstatter, Sutherland and Winsley; by request of Department of Health).

Brief History:

Committee Activity: Energy, Telecommunications & Utilities: 2/2/95, 2/9/95, 2/14/95, 2/23/95 [DPS-WM].

Ways & Means: 3/3/95, 3/6/95 [DP2S].

Passed Senate, 3/13/1995, 47-2.

SENATE COMMITTEE ON ENERGY, TELECOMMUNICATIONS & UTILITIES

Majority Report: That Substitute Senate Bill No. 5448 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Sutherland, Chair; Loveland, Vice Chair; Finkbeiner, Hochstatter and Owen.

Staff: Phil Moeller (786-7445)

Background: Washington has over 14,000 systems that provide drinking water to citizens throughout the state. Over 6,000 of these systems have been added in the past decade, with over 1,300 added in 1993 alone. Proportionate to the number of citizens, this is one of the highest numbers of total water systems among states in the nation. The size of these systems vary greatly, from those that serve hundreds of thousands of customers to systems that supply less than 15 connections. Many of the new systems serve less than 15 connections.

Federal requirements under the Safe Drinking Water Act are in the several-year process of being phased in for many of these water systems. These testing requirements tend to have a much greater financial impact on smaller systems since the costs are spread to a smaller customer base.

The Washington Department of Health (DOH) has a significant role in regulating water systems. These duties include overseeing areas designated as having water supply problems and approving system plans for these critical areas. DOH also oversees a program designating "satellite system agencies" that are authorized to own or manage multiple water systems.

In 1993, DOH convened the Drinking Water 2000 Task Force to review the existing state regulatory program and develop recommendations for the future of regulating public water

systems. The task force issued a report in January, 1995, outlining specific recommendations.

Summary of Bill: The power to allow the establishment of a new water system within the area of a coordinated water system plan is transferred from DOH to the local legislative authority. DOH is to develop guidelines on conditions for these determinations.

Any new public water system must be owned or operated by a satellite system management agency. If a satellite system management agency is not available, the water system must have sufficient management and financial resources.

To fund the drinking water regulation program, effective July 1, 1996, the existing operating permit fee schedule for water systems serving residential populations with over 15 connections is changed by creating a uniform, per-connection capacity fee on all systems and a program service fee on each connection that differs based on the size of the system. The initial fees are changed on July 1, 1997.

The capacity fee on all systems is initially set at 90 cents per connection and is increased to \$1.15 per connection on July 1, 1997. The program service fee is set as follows:

<u>Size of System</u>	<u>Fee Per Connection</u>	
	7/1/96	7/1/97
Under 100 connections	\$5.00	\$4.50
100 to 1000 connections	.95	1.25
1001 to 10,000 connections	.15	.35
10,000 to 50,000 connections	.10	.30
over 50,000 connections	.05	.25

Effective July 1, 1996, systems serving a nonresidential population must pay an operating permit fee of \$150 per system.

Provisions are added to allow flexibility in regulating systems with less than 100 connections. Counties are allowed to adopt abbreviated plans for critical water supply service areas.

Additions are made to the required list of considerations for water purveyors required to adopt a critical water supply service area plan. Local legislative authorities may review, approve, and resolve disputes pertaining to service area boundaries in critical water supply service area plans. Funds raised from penalties imposed on public water systems are placed in the safe drinking water account.

A water supply advisory committee is created to advise DOH on the drinking water program. Committee membership is to include a broad range of interests related to the regulation of public water supplies.

A well established under the less-than 5000 gallons per-day exemption may provide water service for up to 12 housing units unless expressly prohibited by the appropriate local government. The Department of Ecology shall require metering of these wells unless in

certain situations it deems that metering is not necessary. This provision expires after December 31, 1996.

Appropriation: None.

Fiscal Note: Requested on February 2, 1995.

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

Testimony For: Public health will be better served if the state retains control of regulating public water systems. This bill allows for adequate policy revision and funding so as to retain state control. Other changes in the bill allow for more flexibility at the state and local level in regulating water systems.

Testimony Against: None.

Testified: PRO: Don Leaf, WA State Environmental Health Directors Group; Tom Mortimer, Jeff Johnson, Pierce County RWA; Dave Monthie, DOH; Dave Siburg, WA Water Utilities Council; John Kounts, WA PUD Association/Drinking Water 2000; Roy Metzgar, City of Everett; Jamie Morin, WA State Water/Wastewater Association; Dave Clark, DOH; Jerry Deeter, Bremerton-Kitsap County Health; Dan Baskins, KLOC; Barbara Pat Wiles, Harbor Water/IOWUA; Del Rowan, Joint King County Chambers of Commerce; Kris Heintz, Washington Associated Water Systems; Judy Turpin, WEC (concerns).

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5448 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Drew, Fraser, Gaspard, Hargrove, Pelz, Sheldon, Snyder, Spanel, Sutherland, Winsley and Wojahn.

Minority Report: Do not pass substitute.

Signed by Senators Cantu, Finkbeiner, Hochstatter, Johnson, Long, McDonald, Moyer, Strannigan and West.

Staff: Susan Lucas (786-7711)

Testimony For: The bill is widely supported by several cities and public utilities. The funding of drinking water regulation is important in order to retain primacy. Primacy may be lost within two years if funding is not adequately provided. The tax shift was proposed by utilities to avoid fee increases that were too high. Even though the cost per customer is increased, it is worth retaining primacy over drinking water.

Testimony Against: None.

Testified: Del Rowan, Joint King County Chambers of Commerce; Steve Lindstrom, Sno-King Water District Coalition; Bennie Barnes, City of Seattle; Dave Monthie, Department of Health; Joe Daniels, Washington State Water/Wastewater Association.

House Amendment(s): A striking amendment was adopted. It includes most provisions of the bill as it passed the Senate with the following exceptions:

The section raising fees on water systems is removed. Language is added specifying that 15 percent of the moneys collected from the public utility tax on water distribution businesses are deposited in the safe drinking water account.

Provisions allowing a well that pumps less than 5,000 gallons per day to serve up to 12 housing units are removed.

Penalties for non-approved modifications to public water systems are modified based on the number of connections within a water system. Language is clarified pertaining to illegal connections to water systems of sewer districts and water districts.

A drinking water assistance account is created in the State Treasury for the purpose of receiving federal funds made available for safe drinking water. Other potential sources of funds for the account are specified. Moneys in the account may only be used to assist water systems and local governments to provide safe and reliable drinking water and to administer the program. Expenditures from the account may only be made by the Secretary of DOH or the Public Works Board after appropriation.