

SENATE BILL REPORT

SB 6646

As of January 26, 1998

Title: An act relating to revision of public water systems fees.

Brief Description: Revising public water system fees.

Sponsors: Senators Finkbeiner and Jacobsen; by request of Department of Health.

Brief History:

Committee Activity: Energy & Utilities: 1/26/98.

SENATE COMMITTEE ON ENERGY & UTILITIES

Staff: Andrea McNamara (786-7483)

Background: The safety and reliability of water supplied by public drinking water systems in Washington is the responsibility of the Department of Health's (DOH) Drinking Water Program. The program includes enforcement of the federal Safe Drinking Water Act safety standards.

Currently, water systems pay fixed annual operating permit fees to DOH based on the size of the system. Additional fees are charged separately on a fee-for-service basis for such services as operator certification, waiver determinations, sanitary surveys, and water system plan reviews.

In 1995, the Legislature directed DOH to convene a Water Supply Advisory Committee (WSAC) to review and make recommendations on the organization, function, and service delivery methods of the Drinking Water Program and to report its findings to the Legislature.

The WSAC recommended the implementation of a comprehensive funding structure to improve the program's ability to obtain adequate revenue on a reliable and equitable basis. The recommendations included revising the annual operating permit fees to more equitably distribute program costs across the systems that receive benefit from the program's activities. In addition, the WSAC proposed consolidation of fee-for-service services into the annual permit, and the creation of incentives for systems to achieve voluntary compliance with applicable regulatory requirements.

DOH is requesting this legislation to implement the advisory committee's recommendations.

Summary of Bill: Effective July 1, 1999, water system operating permit fees must include a fixed program capacity charge and a charge for additional services based on the system's size. Four size categories are created for noncommunity systems and five size categories are created for community systems.

The program capacity portion of the permit fees pays for basic administration of the operating permit program, including related data management, compliance, and local health jurisdiction support.

The service portion of the permit fees funds specified additional services to water systems, based on the size and classification of the system. DOH may not charge separate fees for services which are provided through the service portion of the permit fees and may reduce a system's permit fee if included services are not required. If additional services are provided on a fee-for-service basis, DOH may prorate such charges and include them as part of the permit billings.

The new fee structure may be phased-in over a two-year period for systems that will experience increases of more than 50 percent. The maximum annual fee for any system, excluding fees for noncompliance, is capped at \$50,000 per year until July 1, 2001. After that date, fees and the cap may be modified by DOH in rule after review by the Water Supply Advisory Committee.

After July 1, 2000, water systems that remain in substantial noncompliance with health-related criteria for more than one year must pay additional fees. Each subsequent year a system remains in substantial noncompliance, the fee is doubled, unless the system is complying with a DOH-approved schedule for achieving compliance. Noncompliance fees shall be used for educational and technical activities to improve compliance with health-related standards.

The service portion of the operating permit fees for satellite systems management agencies is reduced when a satellite agency offers service to all new customers within its designated satellite area consistent with its approved management plan.

Definitions are added for the following terms: community systems,– equivalent service connections,– and routine sanitary survey.–

Appropriation: None.

Fiscal Note: Requested on January 23, 1998.

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