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## Local Government Committee

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# HB 1400

**Brief Description:** Revising provisions governing temporary connections to water-sewer systems.

**Sponsors:** Representatives Upthegrove, Schindler and Clibborn.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Modifies provisions pertaining to water-sewer district system connections through temporary facilities.</li></ul>
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**Hearing Date:** 2/2/05

**Staff:** Ethan Moreno (786-7386).

**Background:**

Water-sewer district (district) powers include the authority to purchase, construct, maintain, and supply waterworks to furnish an ample supply of water to inhabitants within and outside of the district. Districts powers also include the authority to purchase, construct, maintain and operate systems of sewers and drainage.

Subject to legal requirements, districts may fix rates and charges for water, sewer, and drain service supplied and may charge reasonable connection charges (connection charges) to property owners seeking to connect to the district's systems. The connection charges, which may be in addition to the cost of the connection, must be determined to be properly equitable by the district's board of commissioners (board). In calculating this charge, the board must, in part, determine:

- the pro rata share of the cost of existing facilities and facilities planned for construction within the next 10 years; and
- other costs borne by the district that are directly attributable to the improvements required by property owners seeking to connect to the system.

Legislation enacted in 2004 (SSB 6208) modified district powers pertaining to rates and charges. The legislation specified, in part, that in lieu of requiring the installation of permanent facilities that are not planned for construction by the district, the district may permit connection to the water and/or sewer systems through temporary facilities installed at the property owner's expense if the property owner pays a connection charge and agrees to connect to permanent facilities when they are installed. As alternative to this approach, a district may permit connection to the water and/or sewer systems through temporary facilities and then collect a district-determined

proportionate share of the estimated cost of needed future local facilities from connected property owners.

As provided in SSB 6208, the amount collected is held, together with interest, to be used for contribution to the construction costs of permanent facilities by the district or other developers. Additionally, the amount collected is deemed full satisfaction of the proportionate share of the actual cost of construction of the permanent facilities. If these permanent facilities are not constructed within 15 years of the date of payment, the collected amount, including accrued interest, must be returned to the property owner. If the collected amount is returned to the property owner, and permanent facilities capable of serving the property are constructed at a later date, the property owner at the time of the construction of these facilities must pay a proportionate share of the cost of these facilities, reasonable connection charges, and other authorized charges.

**Summary of Bill:**

Water-sewer district (district) provisions pertaining to system connection charges are modified. In lieu of requiring the installation of permanent local facilities (permanent facilities) that are not planned for construction by the district, the district may permit a property owner to connect to the water and/or sewer system through temporary facilities installed at the property owner's expense through one of two methods:

- the property owner agrees to terms and conditions approved by the district, including, but not limited to, payment of a reasonable connection charge; or
- the property owner agrees to specified statutory terms and conditions, and any other terms and conditions approved by the district.

The statutory terms and conditions specified for the second method include provisions pertaining to:

- paying a proportionate share of the estimated cost of future local facilities needed to serve the district;
- holding collected amounts, including interest, for the construction costs of the permanent facilities by developers or the district;
- satisfying proportionate share requirements for construction costs of permanent facilities;
- refunding collected amounts if permanent facilities are not constructed within a 15-year timeframe; and
- charging refunded property owners for permanent facilities that are constructed after the issuance of refunds.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.