

SENATE BILL REPORT

SB 5339

AS OF FEBRUARY 20, 1991

Brief Description: Creating the interagency committee for water resource funding.

SPONSORS: Senators Madsen and Barr.

SENATE COMMITTEE ON AGRICULTURE & WATER RESOURCES

Staff: Bob Lee (786-7404)

Hearing Dates: February 21, 1991

BACKGROUND:

In 1972, the voters approved Referendum 27 that provided \$75 million of bonds for the construction and improvement of water supply facilities of which \$50 million was earmarked for municipal and industrial water supply systems. In 1980, the voters again approved Referendum 38 which provided \$125 million in bonds of which \$75 million was earmarked for municipal and industrial water supply systems. The loan and grant moneys from these funds for municipal and industrial water supply improvement projects has been nearly fully utilized.

The Department of Health conducted a study of the future costs of improvements of public water systems in its January 1991 report entitled "Small Water Systems: Problems and Proposed Solutions."

Because of the new federal Safe Drinking Water Act standards, the need to improve the reliability of existing public water systems, and to accommodate future needs, there is interest in developing a funding source to meet these impending needs. Because of the limit on bonded indebtedness, the ability to issue additional bonds to meet this need is limited. Other existing water related funding programs, as well as new funding sources, are being considered as a potential new source of funds for public water supply systems and to meet the future needs identified by the regional planning process that is being established.

The Public Water Supply Subcommittee initiated a review of the funding options which culminated in the development of this legislation.

SUMMARY:

An interagency committee for water resource funding is created. The committee consists of representatives of the Departments of Community Development, Ecology, Fisheries,

Wildlife, Agriculture, and Health, plus five members appointed by the Governor and confirmed by the Senate. The committee is authorized to hire a director. The committee is to prepare and submit annual plans for the distribution of water resources related funding to the House Appropriations and Revenue Committees and the Senate Committee on Ways and Means.

Any public body or agency of state government authorized or desiring to expend state funds for water resource related activities is required to first submit a request to the interagency committee. Such requests are to demonstrate that they are part of a long term capital program, are consistent with the comprehensive planning process of the state, and are in compliance with the priorities for such funding.

The State Finance Committee is required to prepare and submit to the Legislature a written report by December 1, 1991, addressing the capital needs of water resource related projects for the state, the ability of state and local governments to meet such needs, and alternative methods of providing new capital funding for such needs. The Office of Financial Management is directed to provide information to the State Finance Committee and utilize the recommendations developed in any recently completed studies or reviews of capital needs.

Appropriation: none

Revenue: none

Fiscal Note: requested February 13, 1991