

# SENATE BILL REPORT

## SB 5448

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As Reported By Senate Committee On:  
Energy, Telecommunications & Utilities, February 23, 1995  
Ways & Means, March 6, 1995

**Title:** An act relating to public water systems.

**Brief Description:** Modifying provisions for public water system regulation.

**Sponsors:** 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].

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### 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. Nearly all 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 Substitute 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 created within an urban growth area must be owned or operated by a satellite system management agency. Outside an urban growth boundary, a new public water system must be operated by a satellite system management agency if one is available.

Fifteen percent of public utility taxes raised from water distribution businesses are placed in the safe drinking water account. A range of fees are placed on all water systems based on the number of service connections in each system.

Provisions are added to allow flexibility in regulating systems with less than 100 systems. 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.

**Substitute Bill Compared to Original Bill:** The original bill contained provisions relating to local government approval of new water systems and provisions pertaining to creating new systems inside or outside an urban growth boundary. The substitute bill retains these provisions; the other policy changes were additions to the original bill.

**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).

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## 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)

**Second Substitute Bill Compared to Substitute Bill:** The section which directs that 15 percent of water utility taxes collected be deposited in the safe drinking water account instead of into the general fund is deleted.

**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.