

SENATE BILL REPORT

SB 5787

As Passed Senate, March 10, 1995

Title: An act relating to public drinking water systems.

Brief Description: Providing a comprehensive public drinking water system assistance program.

Sponsors: Senator Sutherland.

Brief History:

Committee Activity: Energy, Telecommunications & Utilities: 2/14/95, 2/16/95 [DP].
Passed Senate, 3/10/95, 45-0.

SENATE COMMITTEE ON ENERGY, TELECOMMUNICATIONS & UTILITIES

Majority Report: Do pass.

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

Staff: Phil Moeller (786-7445)

Background: There are over 14,000 water systems operating in the state of Washington. These include large and small consumer-owned municipal systems, some public utility districts, several counties, water districts, less than 100 private systems regulated by the Utilities and Transportation Commission, and thousands of small systems owned either privately or by homeowner associations.

Federal Safe Drinking Water Act testing requirements have increased significantly since 1986, and more testing requirements will be phased in over the next several years. When the costs of these tests and any necessary system improvements are spread to the ratepayers of the system, the effect can be relatively small for large systems but can be prohibitively large for small systems.

Many of these systems face large capital requirements in the next decade to assure adequate quantity and quality of the water they provide. The Department of Health has estimated that over \$2 billion will be needed for water system infrastructure replacement and treatment facilities by the end of the decade. Of this total, \$400 million will be needed by small systems with under 1000 service connections.

There have been recent proposals in Congress to provide several billion dollars for infrastructure improvements throughout the nation. A major portion of any appropriated funds is likely to be dedicated to public water systems. There is some concern that the state lacks a sufficient mechanism to transfer any federal funds granted to the state for drinking water system infrastructure improvements.

Summary of Bill: The drinking water assistance account is created in the state treasury. Funds placed in the account may include, but are not limited to, proceeds from bond sales, transfers from other accounts, and federal financial assistance. Moneys from the account may only be spent on drinking water projects and must be approved by the Secretary of the Department of Health (DOH) or by the Public Works Board after appropriation.

If the federal government authorizes a state revolving fund program for drinking water systems, DOH, in conjunction with interested parties, is required to establish a program to provide for grants and loans to public water systems. Guidelines for establishing the program are specified.

If the federal government authorizes a state revolving fund program for drinking water systems, the Public Works Board must develop a financial assistance program for public water systems with an emphasis on those with critical public health needs. Funds in the public works assistance account may be used to meet state match requirements for projects financed under the drinking water assistance account.

Appropriation: None.

Fiscal Note: Requested on February 9, 1995.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill will allow a more efficient distribution of federal funds to water systems. The state program will only be developed if federal funds are appropriated.

Testimony Against: None.

Testified: John Woodman, MHCW Pierce Co. (pro); Pete Butkus, CTED Public Works Board; Tom Mortimer, Pierce County RWA (pro); Jeffrey Johnson, Spanaway Water Co. (pro); John Kounts, WA PUD Assn. (pro); David Monthie, WA Dept. of Health (pro); Duke Schaub, AGC - Wash.