
SENATE BILL 5787

State of Washington

54th Legislature

1995 Regular Session

By Senator Sutherland

Read first time 02/07/95. Referred to Committee on Energy,
Telecommunications & Utilities.

1 AN ACT Relating to public drinking water systems; amending RCW
2 43.155.050; adding a new chapter to Title 70 RCW; creating a new
3 section; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that a state-wide
6 assessment of water systems has shown that public drinking water
7 systems have over two billion dollars worth of critical needs for
8 financial assistance by 1999 to assure safe, reliable, and viable water
9 supplies, meet the requirements of the federal safe drinking water act,
10 provide for comprehensive planning and regional planning of public
11 water systems, assess the status of the state's drinking water quality,
12 develop least-cost solutions to public water systems through
13 consolidation of small systems into larger and financially viable
14 utilities, and implement demand management strategies to more
15 effectively use the state's financial resources and water resources.
16 The water system needs assessment, contained in the January 1993 report
17 by the office of financial management on local public works needs and
18 options, found that over nine hundred million of these needs had no
19 identified source of federal, state, local, or private funding.

1 The federal government has indicated an intention to provide new
2 funding for water system needs on a national basis through creation of
3 a drinking water state revolving fund. Congress has appropriated one
4 billion three hundred million dollars to fund this program, which is
5 anticipated to receive an additional three billion dollars in funding
6 from congress over the next three years. The state of Washington needs
7 to have the broad-based authority and ability to promptly receive and
8 disburse federal assistance to eligible water systems.

9 It is the intent of the legislature to establish the necessary
10 accounts and administration for a system of grants, loans, or other
11 forms of financial assistance in addition to existing state financial
12 assistance programs, that will: (1) Receive and utilize federal
13 capitalization grants and other funding to provide assistance for
14 planning, design, acquisition, construction, consolidation, and
15 improvement of public water system facilities, projects and activities;
16 (2) meet the short-term and long-term needs identified and prioritized
17 in the state-wide assessment; and (3) encourage responsible and
18 efficient water system management throughout the state.

19 It is the further intent of the legislature to use existing state
20 programs for the administrative and financial mechanisms necessary to
21 ensure prompt and coordinated delivery of the financial assistance to
22 public water systems authorized under this chapter.

23 NEW SECTION. **Sec. 2.** Unless the context clearly requires
24 otherwise, the definitions in this section apply throughout this
25 chapter.

26 (1) "Board" means the public works board.

27 (2) "Department" means the department of health.

28 (3) "Federal capitalization grants" means grants from the federal
29 government provided under the authority of the federal safe drinking
30 water act.

31 (4) "Private water purveyor" means a public water system not owned
32 by a governmental body.

33 (5) "Public water purveyor" means a governmental body, including a
34 public or quasi-public organization, that owns and operates a public
35 water system, or the authorized agent of such an entity.

36 (6) "Public water system" has the meaning prescribed in the
37 Washington state safe drinking water act, chapter 70.119A RCW.

1 NEW SECTION. **Sec. 3.** The drinking water assistance account is
2 established in the state treasury. Money may be placed in the account
3 from the proceeds of bonds when authorized by the legislature,
4 transfers from other state funds or accounts, federal capitalization
5 grants or other financial assistance, all repayments of moneys borrowed
6 from the account, all interest payments made by borrowers from the
7 account or otherwise earned on the account, or any other lawful source.
8 Moneys from the account may be spent only by the secretary of health or
9 the public works board after appropriation. Expenditures from the
10 account may be used only to meet the purposes of this chapter.

11 NEW SECTION. **Sec. 4.** The department shall establish and maintain
12 a program to use the moneys in the drinking water assistance account as
13 provided by the federal government under the safe drinking water act.
14 The department shall determine assistance priorities and carry out
15 oversight and activities related to such assistance. The department
16 shall in consultation with the board, the department of community,
17 trade, and economic development, purveyors, local health departments,
18 and other interested parties, establish guidelines and requirements for
19 the provision of grants, loans, or other financial assistance to public
20 water systems that are consistent with the findings and intent
21 contained in section 1 of this act. The department shall ensure that
22 guidelines and requirements:

23 (1) Utilize, to the maximum extent, all available federal financial
24 assistance, and are consistent with federal requirements;

25 (2) Are consistent with existing water resource planning and
26 management, including coordinated water supply plans, regional water
27 resource plans, and comprehensive plans under the growth management
28 act, chapter 36.70A RCW;

29 (3) Prioritize least-cost solutions, including consolidation and
30 restructuring of small systems where appropriate into more economical
31 units, and the provision of regional facilities;

32 (4) Assure implementation of water conservation and other demand
33 management measures consistent with state guidelines for water
34 utilities;

35 (5) Provide assistance for the necessary planning and engineering
36 to assure that consistency, coordination, and proper professional
37 review are incorporated into projects or activities proposed for
38 funding;

1 (6) Include minimum standards for financial viability and water
2 system planning;

3 (7) Provide for testing and evaluation of the water quality of the
4 state's public water systems to assure that priority for financial
5 assistance is provided to systems and areas with threats to public
6 health from contaminated supplies and reduce in appropriate cases the
7 substantial increases in costs and rates that customers of small
8 systems would otherwise incur under the monitoring and testing
9 requirements of the federal safe drinking water act; and

10 (8) Are coordinated, to the maximum extent possible, with other
11 state programs that provide financial assistance to public water
12 systems and state programs that address existing or potential water
13 quality or drinking water contamination problems.

14 NEW SECTION. **Sec. 5.** The board shall develop a financial
15 assistance program using appropriated funds from the drinking water
16 assistance account to meet the purposes and guidelines authorized in
17 this chapter. The board shall consult with the department and water
18 purveyors in developing the financial assistance program. The board
19 shall, to the extent necessary to meet federal requirements, administer
20 the program in order to ensure that all federal capitalization grants,
21 together with loan repayments and interest, are separately accounted
22 for and used solely for the purposes prescribed by federal law.

23 The board shall develop, in conjunction with the department,
24 criteria for financial assistance to be made to public water systems.
25 The criteria shall emphasize public water systems with the most
26 critical public health needs; the capacity of the water system to
27 effectively manage its resources; the ability to promptly commence the
28 project; and the relative benefit to the community served. Priority
29 shall be given to those systems that are ready to proceed, that will
30 provide water system improvements to the greatest number of people, and
31 any other criteria that the board shall develop in consultation with
32 the department and water system purveyors.

33 NEW SECTION. **Sec. 6.** The department, the board, and the
34 department of community, trade, and economic development shall be
35 entitled to reasonable administrative expenses in developing and
36 implementing the programs authorized under this chapter.

1 In all cases where the department, board, and any other department,
2 agency, board, or commission of state government interact or provide
3 service under this chapter, the administering government body shall
4 endeavor to provide cost-effective services. The provision of services
5 shall include: (1) Whenever allowed by law, the use of policy
6 statements or guidelines instead of administrative rules; (2) using
7 existing management mechanisms rather than creating new administrative
8 structures; (3) investigating the use of service contracts, either with
9 other governmental entities or with nongovernmental service providers;
10 (4) the use of joint or combined financial assistance applications; and
11 (5) any other method or practice designed to streamline the delivery of
12 services.

13 **Sec. 7.** RCW 43.155.050 and 1993 sp.s. c 24 s 921 are each amended
14 to read as follows:

15 The public works assistance account is hereby established in the
16 state treasury. Money may be placed in the public works assistance
17 account from the proceeds of bonds when authorized by the legislature
18 or from any other lawful source. Money in the public works assistance
19 account shall be used to make loans and to give financial guarantees to
20 local governments for public works projects. Moneys in the account may
21 also be appropriated to provide for state match requirements under
22 federal law for projects and activities conducted and financed by the
23 board under the drinking water assistance account. During the 1993-95
24 fiscal biennium, moneys in the public works assistance account may be
25 appropriated for flood control assistance including grants under
26 chapter 86.26 RCW. To the extent that moneys in the public works
27 assistance account are not appropriated during the 1993-95 fiscal
28 biennium for public works or flood control assistance, the legislature
29 may direct their transfer to the state general fund. In awarding
30 grants under chapter 86.26 RCW, the department of ecology shall give
31 strong preference to local governments that have: (1) Implemented, or
32 are in the process of implementing, an ordinance that establishes a
33 flood plain policy that is substantially more stringent than minimum
34 federal requirements; (2) completed a comprehensive flood control plan
35 meeting the requirements of RCW 86.12.200; or (3) constructed, or are
36 in the process of constructing, a system of overtopping dikes or levees
37 that allow public access.

1 NEW SECTION. **Sec. 8.** The department of health and the public
2 works board are directed not to develop or establish the program
3 prescribed in sections 4 and 5 of this act until the federal government
4 authorizes a state revolving program that will provide federal
5 financial assistance to water systems as outlined in this act.

6 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
7 preservation of the public peace, health, or safety, or support of the
8 state government and its existing public institutions, and shall take
9 effect immediately.

10 NEW SECTION. **Sec. 10.** Sections 1 through 6 of this act shall
11 constitute a new chapter in Title 70 RCW.

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