

# SENATE BILL REPORT

## SB 5650

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As Passed Senate, March 12, 1997

**Title:** An act relating to local government.

**Brief Description:** Allowing cities to assume jurisdiction over water or sewer districts.

**Sponsors:** Senator McDonald.

**Brief History:**

**Committee Activity:** Government Operations: 2/20/97, 3/4/97 [DP].  
Passed Senate, 3/12/97, 48-0.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** Do pass.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Anderson, Haugen, Horn, Patterson and Swanson.

**Staff:** Kathleen Healy (786-7403)

**Background:** When all of the territory of a water or sewer district is included in a city's corporate boundaries, the city may assume jurisdiction over the district. If 60 percent of a water or sewer district is included within a city, the city may assume full control over the entire district, as long as it is not included within another city. The city may also choose to assume control over the portion of the district contained in the city, and make provision to serve any portion of the district outside of the corporate limits of the city. The district may then vote that the city assume jurisdiction over the entire district. This latter method may also be used when less than 60 percent of a water or sewer district is included within the corporate boundaries of a city.

Under any of these circumstances, the city or district, or both, may initiate dissolution proceedings for the dissolution of the district.

**Summary of Bill:** By resolution, the board of commissioners of a water or sewer district may determine that it is in the district's best interest for the city to assume jurisdiction of the district. None of the territory or assessed valuation of the district need be included within the city's corporate boundaries.

If the city legislative body agrees to assume jurisdiction, the district and the city enter into a contract. The contract must provide for the transfer to the city of all real and personal property, franchises, rights, assets, accounts receivable, water and sewer lines, and all other facilities and equipment of the district. Provision must be made for service to customers, and apportionment of indebtedness, contractual obligations, liabilities, and collection of assessments. Outstanding indebtedness of the district must be paid for as provided in the bond covenants. The city must use the district funds on deposit with the county treasurer

at the time of title transfer solely for the utility's benefit, which funds are not transferred to the city.

Clarifying amendments are made.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This allows a water district which wishes to be annexed by a city next to it to do so by resolution. This helps a tiny water district at Hunts' Point with 99 customers. Bellevue is willing to assume jurisdiction over it, but cannot do so under the existing statutes.

**Testimony Against:** None.

**Testified:** Lloyd Warren, City of Bellevue (pro).

**House Amendment(s):** The board of a water-sewer district with fewer than 120 customers on the effective date of the bill may resolve that a city with a population greater than 100,000 assume jurisdiction of the district. This must occur by December 31, 1998.

HB 1212 has been added. Also added is the provision that a district may foreclosure after service charges are delinquent for 30, rather than 60, days.

Bidding procedures are amended so that projects in excess of \$10,000, instead of \$5,000, must be let by contract. The cost of the project is clarified to include the aggregate amount of all labor, materials, supplies, and equipment of a continuous or interrelated project.

The requirement that no contract can be let in excess of the cost of materials or work is deleted.

Also added is SSB 5781, as amended by the House, allowing for the assumption of a district contiguous to the city if the voters approve such an assumption.

A new section is added allowing for assessments for local improvements in a local improvement district to be pledged and applied to the payment of public loans. This authority is supplemental to any other authority of municipalities to levy, pledge, and apply special assessments.