

SENATE BILL REPORT

SSB 6119

As Passed Senate, February 16, 1998

Title: An act relating to voter approval of a city assumption of a water-sewer district.

Brief Description: Concerning the assumption of a water-sewer district by a municipality.

Sponsors: Senate Committee on Government Operations (originally sponsored by Senators Schow, Haugen, Patterson, McCaslin and Roach).

Brief History:

Committee Activity: Government Operations: 1/30/98, 2/6/98 [DPS].
Passed Senate, 2/16/98, 41-8.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 6119 be substituted therefor, and the substitute bill do pass.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Horn and T. Sheldon.

Staff: Diane Smith (786-7410)

Background: If all the territory of a water or sewer district lies within the corporate boundaries of a city, the city legislative authority may assume jurisdiction of the district by resolution or ordinance.

When either 60 percent or more of the area or 60 percent or more of the assessed valuation of real property lying within the district is included within the corporate boundaries of a city, the city may assume the entire district by ordinance, unless another city is included in whole or in part in the district. If two or more cities are involved, the cities of the lesser area or valuation must approve the assumption by the city having 60 percent or more.

When less than 60 percent of the area and less than 60 percent of the assessed valuation is within the corporate boundaries of the city, the city may assume by ordinance, the portion of the district lying within the city's corporate boundaries. If a majority of the voters in the district then so vote, the city must assume responsibility for the operation and maintenance of the entire district. The district then pays the city for extending these services to the district.

Summary of Bill: A public process is established and its use is required when the legislative authority of a city desires to assume all or part of a district lying within its corporate boundaries. This public process includes the preparation of a written feasibility report by the city. The report covers the present and future impacts on the city and the district. The district has the option of issuing its own feasibility report. The questions, whether the territory of the district is assumed by the city and whether, if applicable, the city assumes the obligation of operating the district, are submitted to the voters of the entire

district. Approval of a majority of the voters is required for passage of the measure. All references to the assumption of a 60 percent or more or less than 60 percent portion of a district are repealed.

Assumption of a district territory subject to a service agreement may not be initiated without agreement of the governing bodies of all local governments that are party to the service agreement.

All rates and taxes must collectively be equal for residential customers inside and outside the city limits.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Change is long overdue since this statute's last amendment in 1971. It is time to allow the people of the district to have a say in the destiny of their district. This is about assumption, not annexation. The voters are fully capable of assessing the realities of the provision of water and sewer service. This is a good government bill, streamlines processes, complies with the Growth Management Act, assures truth in planning and assures concurrency.

Testimony Against: District rates are higher than city rates on average. Special purpose districts are intended to be transitional service providers until an area urbanizes. The city is the primary engine for economic growth with the GMA designating them as urban service providers. The city plans for growth while districts do not. Elections cost \$50,000, are cumbersome and do not benefit the people.

Testified: PRO: Walt Cantu, WSSWA; Joe Daniels, WA State Sewer and Water Association; Darian Smith, Lake Stevens Sewer District; Arden Blackledge, Alderwood Water District; Jeff Kirby; Steve Lindstrom, Sno-King Water District; CON: City Panel, AWC.

House Amendment(s): The House striking amendment leaves the 60 percent statutes in place. A window is provided in which the city must, if it so desires, assume all or part of a water-sewer district under the 60 percent statutes, by majority vote of the whole district. During the period of the window, except for when the district is 100 percent inside the city limits<from the effective date to July 1, 1999<the 60 percent assumption cannot be accomplished by ordinance.

In the period of the window, both bills require a vote of the district to approve an assumption in the less than 100 percent to 60 percent range. The Senate bill would have allowed the assumption of all of the district when less than 60 percent (down to the tiniest amount) of the district is in the city limits, whereas the House bill would only allow assumption of that part of the district that is inside the city limits and would require a vote for that.