

HOUSE BILL REPORT

HB 2318

As Reported by House Committee On:
Local Government

Title: An act relating to insurance coverage for water-sewer district commissioners.

Brief Description: Addressing insurance coverage for water-sewer district commissioners.

Sponsors: Representatives Appleton, Griffey, Doglio, Haler and Johnson.

Brief History:

Committee Activity:

Local Government: 1/11/18, 1/18/18 [DP].

Brief Summary of Bill

- Allows water-sewer districts, regardless of the number of customers the district has, to provide insurance coverage to its commissioners if it provides such coverage to employees.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 5 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Gregerson and Peterson.

Minority Report: Do not pass. Signed by 2 members: Representatives Pike, Assistant Ranking Minority Member; Taylor.

Staff: Yvonne Walker (786-7841).

Background:

Water-sewer districts (districts), a type of special purpose district, were created to further public health and safety and to furnish water, sewerage, and drainage services.

Districts develop and operate systems of sewers and drainage and are authorized to create facilities, systems, and programs for the collection, interception, treatment, disposal, and control of pollution from wastewater. Districts may also fix rates and charges for services,

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enter into contracts, levy taxes, and issue bonds and instruments evidencing indebtedness. Water-sewer districts are governed by boards of elected commissioners consisting of three to seven members.

Insurance Coverage.

Upon approval of its board of commissioners, an individual district may enter into a contract to provide health care and life insurance coverage for the benefit of its employees. In addition, if deemed expedient, two or more districts may jointly procure and pay for health care and life insurance for its employees.

A district with 5,000 or more customers that provides health, group, or life insurance to its employees may also provide the same insurance coverage to its commissioners. However, the amount paid per commissioner cannot exceed the per person amount paid by the districts for its employees.

Summary of Bill:

In all instances, a district that provides health, group, or life insurance to its employees may also provide the same coverage to its commissioners. The requirement that a district needs to have 5,000 or more customers is eliminated as a factor to providing insurance to its commissioners.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Valley Water District serves the areas of Bonney Lake, Graham, Sumner, Orting, and Puyallup. They have 3,000 service connections and 1,700 customers. Three elected commissioners manage the district. They do not receive a salary, but they do receive a per diem at a level set by the state.

Smaller districts often have issues in filling vacant commissioner positions. This bill is an important tool in helping to recruit qualified candidates to serve their communities. The statute that is being amended already allows districts with over 5,000 customers to provide insurance for their commissioners. This is an additional benefit citizens can use to encourage candidates to serve their communities and will likely help increase the number of people willing to take on the role of commissioner and, in turn, give the district and its rate payers better quality commissioners. This bill will not mandate districts to provide the benefit but

would simply give them the flexibility to offer it to the commissioners if approved. If the public disagrees, then they can ultimately vote not to retain those commissioners in the future.

(Opposed) None.

Persons Testifying: Representative Appleton, prime sponsor; Scott Hazelgrove, Washington Association of Water and Sewer Districts; and Sean Vance, Valley Water District.

Persons Signed In To Testify But Not Testifying: None.