

HOUSE BILL REPORT

ESHB 1031

As Amended by the Senate

Title: An act relating to water and sewer districts.

Brief Description: Making various changes in sewer and water district law.

Sponsor(s): By House Committee on Local Government (originally sponsored by Representatives Wood, Haugen, Ferguson, Nelson, Horn, Roland, Paris and Nealey).

Brief History:

Reported by House Committee on:
Local Government, February 13, 1991, DPS;
Passed House, March 6, 1991, 97-0;
Amended by Senate.

**HOUSE COMMITTEE ON
LOCAL GOVERNMENT**

Majority Report: *That Substitute House Bill No. 1031 be substituted therefor, and the substitute bill do pass.*
Signed by 15 members: Representatives Haugen, Chair; Cooper, Vice Chair; Ferguson, Ranking Minority Member; Mitchell, Assistant Ranking Minority Member; Bray; Edmondson; Franklin; Horn; Nealey; Nelson; Rayburn; Roland; Wood; Wynne; and Zellinsky.

Staff: Steve Lundin (786-7127).

Background: Sewer district and water district commissioners may receive compensation at a rate of up to \$50 per day, not to exceed \$4,800 per year. In addition, the commissioner who is the secretary of the board may receive a reasonable amount for clerical services. No provisions of law exist concerning the provision of insurance benefits for sewer district or water district commissioners.

Sewer districts and water districts are authorized to hire staff and provide staff with compensation, as well as health care services, group insurance, and term life insurance.

Whenever a sewer district or water district leases its real property, the district is required to secure the lease by a performance bond with a penalty of an amount equal to the

larger of "one-sixth of the term of the lease" or one year's rental.

In 1989, a statute relating to the general powers of water districts was amended twice in separate legislation.

A ballot proposition to increase the size of the board of commissioners in a sewer district or water district from three to five members may be presented to voters for their approval or rejection, if requested by petition of a certain percentage of district voters or by unanimous vote of the board of commissioners. Where the district has 10,000 or more customers, the size of the board is increased without voter approval upon adoption of a resolution providing for the increase by a unanimous vote of the board. However, a ballot proposition on the increase will be submitted to district voters upon the filing of a petition requesting the vote is submitted within 90 days of the adoption of the resolution that has been signed by a certain percentage of district voters.

Sewer districts and other local governments may impose utility charges for the availability of service, while water districts only may impose utility charges for actually providing service.

Summary of Bill: A sewer district, or water district, with 5,000 or more customers providing health, group, or life insurance benefits to its employees may provide its commissioners with the same coverage.

The board of commissioners of a sewer district or water district can require a reasonable security deposit, in lieu of a performance bond, whenever district property is leased.

The water district statute that was amended twice in 1989 is reenacted to remove any ambiguity about the effect of both of the changes that were made.

Water districts are authorized to adopt water conservation plans and emergency water use restrictions that are enforceable by the imposition of fines. The commissioners may provide by resolution that if the fines are not paid for a specified period of time, the fines becomes a lien on the property of the party failing to comply with the plan or restrictions.

The vote of a board of commissioners is reduced from a unanimous vote to a simple majority vote that is necessary to place a ballot proposition before voters of a sewer district or water district authorizing an increase in the size of the board from three to five members.

Water districts may impose utility charges for the availability of service, instead of for actually providing service.

EFFECT OF SENATE AMENDMENT(S): The Senate amendments: (1) delete sections that reduce the vote required by a sewer district or water district board of commissioners, from a unanimous vote to a simple majority vote, that is necessary to cause a ballot proposition to be submitted to district voters authorizing an increase in the size of the board from three to five members; (2) restrict the ability of a sewer district or water district to provide insurance for its commissioners, that is provided to its employees, so that the per person amounts paid by the district for the insurance for the commissioners may not exceed the per person amounts paid by the district for district employees; (3) permit a sewer district or water district to operate and maintain park or recreational facilities on real property that it owns or has an interest in that is not immediately necessary for its purposes. If the park or facilities are operated by someone other than the district, the operator shall indemnify and hold the district harmless for any injury or damage caused by his or her actions; (4) allow a water district to charge for providing water service to an intermittent or transient customer that is connected to its facilities regardless of the amount of water, if any, that is used; and, (5) make the fine for failing to comply with a water district's water conservation plans or emergency water use restrictions become a separate item for inclusion in the bill of the party failing to comply with the plans or restrictions instead of a lien on the property of this party.

Fiscal Note: Not requested.

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

Testimony For: This is primarily the same bill as passed the House last year. These are primarily technical changes. The performance bond is difficult to obtain.

Testimony Against: None.

Witnesses: (Testified in favor of the original bill.) Joe Daniels, Bruce McNight, Ron Ricker and Bonnie Strode, Washington State Association of Water and Wastewater Districts.

VOTE ON FINAL PASSAGE:

Yeas 97; Nays 0; Excused 1

Excused: Representative Nelson.