

HOUSE BILL REPORT

SSB 6208

As Reported by House Committee On:

Local Government

Title: An act relating to temporary water-sewer connections.

Brief Description: Regarding temporary water-sewer connections.

Sponsors: Senate Committee on Government Operations & Elections (originally sponsored by Senators Roach, Kastama and McCaslin).

Brief History:

Committee Activity:

Local Government: 2/25/04, 2/26/04 [DPA].

Brief Summary of Substitute Bill (As Amended by House Committee)

- Creates a procedure by which a water-sewer district may collect a connection charge from a property owner related to the connection of a property to temporary water and/or sewer facilities.
- Requires that charges for a connection to temporary water and/or sewer facilities be refunded to a property owner by a water-sewer district in the event permanent facilities are not constructed within 15 years of payment.
- Prohibits a city having a population of less than 5,000 residents from assuming jurisdiction over all or part of a water-sewer district serving a population greater than 1,000 residents and containing, within its boundaries, the territory of two or more cities, or one city and unincorporated territory, unless voters of the entire water-sewer district approve a ballot proposition authorizing the assumption.
- Requires that a feasibility study be completed and made public before a public vote is held regarding an assumption of jurisdiction.
- Denies jurisdiction to a Boundary Review Board to review an attempted or completed assumption of jurisdiction that has been subject to a vote by the voters in the water-sewer district and which involves not more than one city.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass as amended. Signed by 9 members: Representatives Romero, Chair; D. Simpson, Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Ahern, Clibborn, Mielke, Moeller and Upthegrove.

Staff: Thamas Osborn (786-7129).

Background:

Overview of Water-Sewer Districts.

Water districts are units of local government initially authorized in 1913 to provide potable water facilities, sanitary sewers, drainage facilities, and street lighting. Sewer districts are units of local government initially authorized in 1941 to provide sanitary sewers, drainage facilities, and potable water facilities.

Legislation enacted in 1996 and effective July 1, 1997, consolidated water district laws with sewer district laws and made a number of technical changes to these laws. Among other changes, the term "sewer system," which had been defined to include both sanitary sewers and drainage systems, was altered to apply only to sanitary sewer systems, and separate provisions were added for drainage systems.

Assumptions of Jurisdiction Over Water-Sewer Districts by Cities or Towns.

Current law sets forth legislative and electoral mechanisms, based upon geographic location and property valuation, for the assumption of jurisdiction of water-sewer districts by cities or towns.

Whenever all of the territory of a district is located within the corporate boundaries of a city, the city legislative body may adopt a resolution or ordinance to assume jurisdiction over the entire district.

Whenever a portion of a district equal to at least 60 percent of its area, or 60 percent of the assessed valuation of the real property lying within the district, is included within the corporate boundaries of a city, the city may assume by ordinance the full and complete management and control of that portion of the entire district not included within another city.

Related statutes specify that under certain circumstances the district may, upon a favorable vote of a majority of all voters within the district, require a city to assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district.

Whenever the portion of a district included within the corporate boundaries of a city is less than 60 percent of the area of the district and less than 60 percent of the assessed valuation of the real property within the district, the city may assume, by ordinance,

jurisdiction of the district's responsibilities, property, facilities and equipment within the corporate limits of the city. The city may also assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district upon a favorable vote of a majority of all voters within the district.

Whenever more than one city, in whole or in part, is included within a district, the city which has within its boundaries 60 percent or more of the area of the assessed valuation of the district may, with the approval of any other city containing part of such district, assume responsibility for operation and maintenance of the district's property, facilities and equipment within such other city.

Summary of Amended Bill:

Connection Charges Assessed by Water-Sewer Districts.

In the event a property owner seeks connection with a system in which a district has neither (a) the permanent facilities necessary to facilitate the connection, nor (b) plans for building such permanent facilities in the future, the district may permit connection to the system through *temporary* facilities. Under these circumstances, a district may collect connection charges by either of two alternative procedures:

- the property owner pays the actual costs of connection to temporary facilities, as well as other statutory assessments, and agrees to connect to permanent facilities once they are available; or
- the district allows the property owner to connect to the system through temporary facilities and collects from the property owner a proportionate share of the projected future cost of the facilities that would be needed in order to permanently connect the property to the system.

Connection charges collected from a property owner by a district, including interest, must be held by the district for contribution to the future development of the permanent local facilities needed to serve the property. If these permanent facilities are not constructed within 15 years of the date of payment of the fee by the property owner, the amount collected, including accrued interest, must be returned to the property owner. In the event permanent local facilities are constructed after the connection fees have been refunded to the property owner, the person who owns the property at the time of construction of such permanent facilities shall pay a proportionate share of the cost of such permanent local facilities, in addition to reasonable connection charges and other charges authorized by statute.

Assumptions of Jurisdiction Over Water-Sewer Districts by Cities or Towns.

A city having a population of less than 5,000 residents may not assume jurisdiction over a water-sewer district serving a population greater than 1,000 residents and containing, within its boundaries, the territory of two or more cities, or one city and unincorporated territory, unless voters of the entire water-sewer district approve a ballot proposition authorizing the assumption. The cost of the election must be borne by the city seeking to assume such jurisdiction. The approval of the voters in a water-sewer district is not required if the board of commissioners of the water-sewer district consents to the assumption of jurisdiction by the city or town.

A feasibility study is required regarding a proposed assumption of jurisdiction prior to the matter being subject to a decision by the voters in the water-sewer district. This feasibility study must comply with specified criteria and procedural conditions, including:

- the study must be done by a qualified expert with expertise involving public water and sewer systems;
- it must address specified issues relating to functional and operational impacts, financial consequences, water rights, etc.;
- it must be completed within six months of the passage of the resolution proposing the assumption;
- the findings of the study must be made available to the voters as a public record; and
- the vote on assumption cannot take place until the study is completed and the results made public.

A feasibility study is not necessary if the board of commissioners of the water-sewer district consents to the assumption of jurisdiction by the city or town.

A Boundary Review Board is denied jurisdiction to review an attempted or completed assumption that has been subject to a vote by the voters in the water-sewer district and which involves not more than one city.

The provisions of the bill are applicable to assumptions of jurisdiction that are pending as of the effective date of the act.

Amended Bill Compared to Substitute Bill:

The amendment makes the following changes to the substitute bill:

- Creates an additional option allowing a water-sewer district to make connection to a property through temporary facilities installed at the property owner's expense, provided the property owner pays the requisite connection charge and agrees to

connect to permanent facilities when they are installed;

- In the event permanent local facilities are constructed after the connection fees have been refunded to the property owner, the property owner shall pay a proportionate share of the cost of such permanent local facilities, in addition to reasonable connection charges and other charges authorized by statute, at the time of construction of such permanent facilities;
- Prohibits a city having a population of less than 5,000 residents from assuming jurisdiction over all or part of a water-sewer district serving a population greater than 1,000 residents and containing, within its boundaries, the territory of two or more cities, or one city and unincorporated territory, unless voters of the entire water-sewer district approve a ballot proposition authorizing the assumption;
- Requires that a feasibility study be completed and made public before a public vote is held regarding an assumption of jurisdiction; and
- Denies jurisdiction to a Boundary Review Board to review an attempted or completed assumption that has been subject to a vote by the voters in the water-sewer district and which involves not more than one city.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: The bill allows a water-sewer district to impose connection charges on a property owner for the construction of a temporary connection to the system. It also creates a standardized procedure for the assessment of such connection charges.

Testimony Against: None.

Persons Testifying: Phil Watkins, Lakehaven Utility District; and Joe Daniels, Washington Association of Water Sewer Districts.

Persons Signed In To Testify But Not Testifying: None.