

HOUSE BILL REPORT

HB 2891

As Reported by House Committee On:
Local Government

Title: An act relating to revising boundaries of a public utility district in incorporated territory.

Brief Description: Providing for withdrawal from and addition to a public utility district.

Sponsors: Representatives Grant and Mastin.

Brief History:

Committee Activity:

Local Government: 2/5/04 [DPS].

Brief Summary of Substitute Bill

- Changes boundaries of a public utility district (PUD) in a county with a federal nuclear reservation within its boundaries.
- Establishes a process for determining which voting districts in a PUD would be included or excluded in that PUD.
- Establishes a deadline of July 1, 2009, for a city within a county that has a federal nuclear reservation within its boundaries to provide electric, water, and sewer service to households that, as of July 1, 2004, are within city limits and receive at least one of those services from a PUD.
- Requires the city and the PUD to reach an agreement by which the city would pay the PUD a reasonable amount for the costs associated with the PUD's installation or modification of the facilities necessary to provide service by the 2009 deadline.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Romero, Chair; D. Simpson, Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Ahern, Clibborn, Edwards, Ericksen, Mielke, Moeller and Upthegrove.

Staff: Kiki Keizer (786-7109).

Background:

Current law authorizes the creation of a county-wide public utility district (PUD). The territorial limits of a county-wide PUD are co-extensive with those of the county and include all of the cities within that county that do not already own or operate all utilities that a PUD is authorized to provide.

When a county-wide PUD is first formed in a county with three legislative authority districts, one PUD commissioner is chosen from each of the three legislative authority districts.

The PUD commissioners may change the boundaries of the PUD, subject to certain legal requirements. The boundaries may not be changed more often than once in four years.

Summary of Substitute Bill:

In a county with a federal nuclear reservation within its boundaries, voting precincts are included in a PUD if they receive at least one utility service (electricity, water, or sewer) from the PUD. Voting precincts in this area are withdrawn from a PUD if a city provides all of these services for the voting precinct.

In order to determine which voting districts would be affected by this act, the city and the PUD must provide lists of their customers affected by the act within 10 days of the act's effective date. The county auditor would then have 10 days to determine which voting precincts would have to be included or withdrawn from the PUD. The PUD would then have 10 days to revise the boundaries of the PUD.

Taxes or assessments levied or assessed before the withdrawal of certain precincts would remain as liens, as would those levies or assessments made to pay or secure an obligation of the PUD duly incurred or issued before the withdrawal.

A city within a county that has a federal nuclear reservation within its boundaries has a deadline of July 1, 2009 to provide electric, water, and sewer service to households that, as of July 1, 2004, are within city limits and receive at least one of those services from a PUD.

The city and the PUD must reach an agreement by which the city would pay the PUD a reasonable amount for the costs associated with the PUD's installation or modification of the facilities necessary to provide service by the 2009 deadline. If they cannot reach an agreement by 2008, they must submit to binding arbitration to resolve the matter.

Substitute Bill Compared to Original Bill:

A city within a county that has a federal nuclear reservation within its boundaries has a deadline of July 1, 2009, to provide electric, water, and sewer service to households that, as of July 1, 2004, are within city limits and receive at least one of those services from a PUD.

The city and the PUD must reach an agreement by which the city would pay the PUD a reasonable amount for the costs associated with the PUD's installation or modification of the facilities necessary to provide service by the 2009 deadline. If they cannot reach an agreement by 2008, they must submit to binding arbitration to resolve the matter.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Persons who are not receiving services from the PUD should not have the right to vote for PUD commissioners. The PUD is not disenfranchising voters because it does not provide those persons with any services.

The PUD is willing to give back an area in Richland that it currently serves in exchange for an agreed price.

Testimony Against: Resolution of how to draw the boundaries of the PUD's service area is a local matter that is best left to the City of Richland and the Benton County PUD. It is in the PUD's interest to create an area that it can tax if they ever need to do so, while preventing people in that area from voting in elections for commissioners of the PUD.

This is not a governance issue regarding who can vote in a PUD election, it is a service issue. Other cities vote in PUD elections.

Persons Testifying: (In support) Randy Ray and Karen Miller, Benton Public Utilities District.

(Opposed) Jerry Greenfield, Raymon Sieler and Rob Welch, City of Richland.

Persons Signed In To Testify But Not Testifying: None.