

SENATE BILL REPORT

SB 5231

As Reported By Senate Committee On:
Government Operations & Elections, February 8, 2007

Title: An act relating to water-sewer districts.

Brief Description: Revising provisions relating to water-sewer districts.

Sponsors: Senators Berkey, Roach, Fairley, Pridemore and Shin.

Brief History:

Committee Activity: Government Operations & Elections: 1/22/07, 2/08/07 [DPS].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: That Substitute Senate Bill No. 5231 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; Benton, Kline, Pridemore and Swecker.

Staff: Mac Nicholson (786-7445)

Background: Water-sewer districts are limited purpose local governments with the authority to purchase, construct, maintain, and supply waterworks to furnish water and operate sewer systems.

Water-sewer districts are authorized to increase their territory through annexation processes. There are two primary methods of annexation available to water-sewer districts: a petition/election method and a petition method. The petition/election method involves an initial petition submitted to voters in the district, approval by the district commissioners and county legislative authority, and a special election. The petition method involves submission of a petition by property owners in the district, a public hearing on the petition, and adoption of a resolution to effectuate the annexation.

Counties and the state can move the location of utility facilities where reasonably necessary in order to construct, alter, or improve a road or highway. The costs associated with moving the utility's facilities are generally borne by the utility.

Sewer facilities operated by water-sewer districts may include facilities which result in sewage disposal or treatment and the generation of electricity. The electricity is characterized as a byproduct of sewage treatment and can be used by the district or sold.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A district may lease out real property which it owns if the property is not immediately necessary for district purposes. The term of any such lease may not exceed 25 years.

Summary of Bill: A number of provisions relating to water sewer districts are created or amended as follows:

Annexation: As an alternative to the petition/election and petition methods of annexation, a district that acquires water and/or sewer facilities from a city may enter into an agreement whereby the district will seek to annex territory within that city. The annexation must be accomplished according to the following procedures:

- District commissioners must adopt a resolution calling for the annexation to be voted on by the voters in the territory to be annexed to the district.
- The resolution must be filed with the county legislative authority.
- The county legislative authority must have a public hearing on the resolution. Following the final hearing, the county legislative authority may adjust the proposed boundary lines, provided the adjustment does not include territory located outside of the territory originally described for annexation in the resolution.
- If the county authority finds that the annexation is conducive to public health, welfare, and convenience, and will be of special benefit to the land included within the boundaries of the proposed annexation, then a special election must be held on the annexation.
- Qualified voters residing within the territory proposed for annexation must vote on the annexation, and if a majority of the votes cast are for annexation, the territory must be deemed annexed to the district.

City and County Construction Consultation: Cities and counties must consult with public utilities operating water-sewer systems during the predesign phase of construction projects that involve relocation of sewer and/or water facilities.

Executive and Legislative Reporting Requirements: A state association of water/wastewater districts is removed from the coverage of a statute requiring associations of municipal corporations to submit biennial reports to the Governor and Legislature regarding changes which would affect the efficiency of the municipal corporations.

Natural Gas: Water/sewer districts facilities may include facilities which result in natural gas generation as a byproduct of the sewer system. Natural gas may be sold or distributed to any entity authorized by law to distribute natural gas. Natural gas is deemed a byproduct when the generation of natural gas is subordinate to the primary purpose of sewage disposal or treatment.

Water/Sewer District Leases: The maximum term for district leases of unused property is increased from 25 to 50 years.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Government Operations & Elections): Changes "natural gas" to "methane gas" in the section of bill authorizing districts to operate facilities that result in methane gas generation as a byproduct of sewage treatment.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Several issues pertinent to water-sewer districts are covered. The annexation provisions allow for an alternative to the current annexation methods in very limited instances where a district that owns facilities in a city can annex that area. The annexation process for these specific cases is streamlined. Districts would like to sell the methane gas that is created as a byproduct of sewage treatment rather than burn it off, and need the statutory authority to do so. The current 25 year limit on district leases of unused property should be changed to 50 years to give districts more certainty. Other statutes left over from the elimination of a previous RCW chapter is tidied up. While the title is broad, all parties agree on the bill, and it should be passed.

Persons Testifying: PRO: Senator Berkey, prime sponsor; Joe Daniels, Washington Association of Water/Sewer Districts; Steve Lindstrom, Sno-King Water District Coalition.