

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6340

Chapter 214, Laws of 2008

60th Legislature
2008 Regular Session

WATER SYSTEMS--ACQUISITION AND REHABILITATION

EFFECTIVE DATE: 06/12/08

Passed by the Senate February 18, 2008
YEAS 44 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 7, 2008
YEAS 94 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved March 27, 2008, 4:39 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6340** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 28, 2008

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6340

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By Senate Water, Energy & Telecommunications (originally sponsored by Senators Rockefeller, Morton, Sheldon, Swecker, Hobbs, Berkey, and Kilmer)

READ FIRST TIME 01/18/08.

1 AN ACT Relating to water system acquisition and rehabilitation;
2 adding a new section to chapter 70.119A RCW; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that it is the state's
5 policy to maintain the highest quality and reliability of drinking
6 water supplies to all citizens of the state. Small water systems may
7 face greater challenges in this regard because of declining quality in
8 water sources, catastrophic events such as flooding that impair water
9 sources, the age of the system's infrastructure, saltwater intrusion
10 into water sources, inadequate rate base for conducting necessary
11 improvements, and other challenges. In response to these needs, the
12 water system acquisition and rehabilitation program was created through
13 biennial budget law, and through the current biennium has a total of
14 nine million seven-hundred fifty thousand dollars toward assisting
15 dozens of water systems to improve the quality of water supply service
16 to thousands of customers.

17 It is the purpose of this act to establish an ongoing water system
18 acquisition and rehabilitation program, to direct a review of the

1 program to date, and to provide for recommendations for strengthening
2 the program and increasing the financial assistance available under the
3 program.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.119A
5 RCW to read as follows:

6 Subject to the availability of amounts appropriated for this
7 specific purpose, the department shall provide financial assistance
8 through a water system acquisition and rehabilitation program, hereby
9 created. The program shall be jointly administered with the public
10 works board and the department of community, trade, and economic
11 development. The agencies shall adopt guidelines for the program using
12 as a model the procedures and criteria of the drinking water revolving
13 loan program authorized under RCW 70.119A.170. All financing provided
14 through the program must be in the form of grants that partially cover
15 project costs. The maximum grant to any eligible entity may not exceed
16 twenty-five percent of the funds allocated to the appropriation in any
17 fiscal year.

18 NEW SECTION. **Sec. 3.** (1) The department of health, in
19 consultation with the public works board, shall prepare a report on the
20 water system acquisition and rehabilitation program in section 2 of
21 this act and make recommendations regarding strengthening the program
22 and increasing the financial assistance provided through the program.

23 (2) The report shall:

24 (a) Identify the state's policies and objectives regarding water
25 system management, operation, and regulation, including
26 regionalization, satellite management, and prevention of the
27 proliferation of small water systems; and

28 (b) Review the program's projects initiated and completed to date,
29 and other state funding assistance for water system acquisition and
30 rehabilitation.

31 (3) The report shall also review and make recommendations on the
32 following:

- 33 (a) Funding levels and funding sources;
- 34 (b) The form of assistance provided, whether grants or loans;
- 35 (c) Funding cycles, including an annual or open cycle;
- 36 (d) Eligibility of group B systems for assistance;

1 (e) Consideration of benefits other than public health or water
2 quality benefits, such as economic benefits;

3 (f) Activities that may be funded beyond acquisition,
4 preconstruction design, and construction, including the cost to
5 agencies to operate the program;

6 (g) The project priority setting process and relative priority for
7 funding projects for systems that serve few residential customers;

8 (h) Requiring installation of service meters in funded projects;

9 (i) Eligibility for grants of municipalities that have not owned
10 and operated a group A water system for at least five years;

11 (j) Allowing an eligible purveyor that has already acquired a
12 failing water system to be eligible for grants to cover any outstanding
13 costs of the rehabilitation of the failing water system;

14 (k) Tiering of project priorities to provide the highest priority
15 to assisting systems with a high public health risk; and

16 (l) Consideration of the system's rate base and the ability of the
17 households on the system to afford rate increases to fund a portion of
18 the necessary system rehabilitation.

19 (4) The report shall include a survey of estimated water system
20 acquisition and rehabilitation program funding needs, based on existing
21 informal survey information from local governments, the utilities and
22 transportation commission, and purveyors.

23 (5) The report shall be provided to the fiscal and water policy
24 committees of the senate and house of representatives not later than
25 January 1, 2009.

Passed by the Senate February 18, 2008.

Passed by the House March 7, 2008.

Approved by the Governor March 27, 2008.

Filed in Office of Secretary of State March 28, 2008.