HOUSE BILL REPORT
HB 1690

As Reported by House Committee On:
Local Government

Title: An act relating to assessing the state's existing water and sewer systems to identify data gaps, ensure clean water, ensure sufficient waste disposal, protect public health, and protect the environment of the state.

Brief Description: Assessing the state's existing water and sewer systems.

Sponsors: Representatives Wylie, Berry, Fosse, Hunt, Parshley, Fey, Doglio, Berg, Scott, Pollet, Nance, Stonier and Duerr.

Brief History:
Committee Activity:
Local Government: 2/11/25, 2/19/25 [DPS].

Brief Summary of Substitute Bill

- Requires the Department of Ecology and the Department of Health to jointly produce a comprehensive assessment report by June 30, 2027, on the maintenance and upgrade needs of water and sewer systems throughout the state.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Duerr, Chair; Parshley, Vice Chair; Klicker, Ranking Minority Member; Stuebe, Assistant Ranking Minority Member; Griffey, Hunt and Zahn.

Staff: Kellen Wright (786-7134).

Background:

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

Water Systems.
Public water systems supply drinking water for about 85 percent of the residents of Washington. A public water system is any system providing water for human consumption through pipes or other constructed means of transference, except for systems serving only a single residence or a system with four or fewer connections that serves a single farm. A water system includes collection, treatment, storage, and distribution facilities, as well as other facilities primarily used in connection with water systems.

Public water systems are divided into two categories, Group A and Group B. Group A water systems are those that have met one or more of the following criteria:

- The system has more than 15 service connections, regardless of the number of people served.
- The system serves an average of 25 or more people for at least 60 days in a year, regardless of the number of service connections.
- The system serves at least 1,000 people for at least two consecutive days.

Group B water systems are those systems not included in Group A.

The State Board of Health is required to adopt rules for these water systems in order to ensure safe and reliable public drinking water and to protect public health. The rules are enforced by the Department of Health (DOH) and local health jurisdictions such as a county or city health department.

Public water systems can be operated by counties, cities, special purpose districts, or private entities.

The 15 percent of Washington residents who do not get their water from public water systems instead get water from private wells. The Department of Ecology (Ecology) regulates the construction of wells, and local health jurisdictions enforce regulations for water quality and the use of wells.

Sewer Systems.

There are two general types of sewer systems: (1) onsite systems, which treat or store wastewater near the site of origin; and (2) sewer utilities, in which wastewater is removed from the site, generally for treatment at a wastewater facility. Regulatory authority is divided between the systems.

The State Board of Health has rulemaking authority for smaller onsite sewage systems, with enforcement handled by the DOH and local health jurisdictions. Larger onsite systems and smaller wastewater systems are regulated by the DOH, while the larger wastewater systems are regulated by Ecology.

Sewer services may be provided by counties, cities, special purpose districts, or private entities.

Drinking Water Needs Survey and Assessment.

Every four years, the federal Environmental Protection Agency (EPA) conducts a Drinking Water Needs Survey and Assessment of public water systems. A representative sample of water systems complete the survey, and the EPA uses the results to determine the capital needs of water systems throughout the United States for the next 20 years. In 2021 the capital improvement needs of Washington's Group A water systems through 2041 was calculated to be $11.7 billion.

State Funding Programs.

Water and sewer systems can receive funding through multiple state programs. Among the largest sources of funding are the Public Works Assistance Account, the Drinking Water State Revolving Fund, and the Water Quality Combined Funding Program.

Through the Public Works Assistance Account, the Department of Commerce disburses grants and loans to counties, cities, and special purpose districts to repair, replace, and build infrastructure. Water and sewer systems are among the infrastructure systems eligible to receive funding.

The Drinking Water State Revolving Fund provides funding for infrastructure improvements of drinking water systems. It is funded by the state and the federal government and provides grants and loans for a variety of purposes, including loans for capital improvements that improve public health and increase compliance with drinking water regulations, and grants for chemical mitigation and remediation.

The Water Quality Combined Funding Program is administered by the Ecology. It is funded through the state budget, with $100 million to $200 million available in annual funding. Funding can be used for, among other things, the design and construction of wastewater facilities and onsite sewage systems.

Summary of Substitute Bill:

The DOH and Ecology (Departments) must jointly conduct and produce a comprehensive needs assessment of the maintenance and upgrade needs for water and sewer systems throughout the state to prevent pollution, protect public health, and support communities and the economy.

At a minimum, the assessment must include:

- a consolidated list of water and sewer systems in the state that are in need of critical upgrades or maintenance;
- an analysis of the costs required to upgrade and maintain the systems; and

- options for program design and funding strategies.

In relation to the assessment, the Departments may:
- consult with, and solicit data from, state agencies, boards, and commissions; cities and counties; local boards of health; public and private water and sewer utilities; conservation districts; and other entities as necessary to obtain detailed information on water and sewer facilities in the state; and
- review relevant projects from other states to inform the assessment.

The Departments must submit a report on the result of the needs assessment to the Governor and the appropriate committees of the Legislature by June 30, 2027.

Substitute Bill Compared to Original Bill:

Compared to the original bill, the substitute bill:
- requires the Departments to produce a comprehensive assessment report to the Governor and the Legislature by June 30, 2027, on upgrade and maintenance needs for water and sewer systems, instead of requiring an ongoing comprehensive assessment with biannual reporting; and
- provides that the comprehensive assessment may include a list of water and sewer systems in need of critical repairs or maintenance, instead of a database of such systems.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 19, 2025.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The intent section of the bill explains some of the basis for the bill. Counties are an arm of the state, and do bidding of the state. They are funded to provide rural services, to collect taxes, and to ensure community safety. They do not have the resources to handle issues with water and sewer systems alone. There can be hundreds of millions of dollars in needs in just one area. When there are other funds available, local communities sometimes cannot afford to put up the matching funds. There are no counties without human coliform bacteria in some of the wastewater. Urban and suburban areas have numerous uninspected and failing septic systems. Issues with water and sewer systems are going to get worse as density increases. Some sewer pumpers have to cross multiple states as there are no treatment options nearby. We try to protect the salmon, but we have streams running past failing septic systems which harm the salmon. These are not just local

problems, but statewide ones. The intent of the bill is to gather the information that is out there, as it is unclear how big the problem is and what the options are. Basic infrastructure is critical, especially with population growth and increased density. Water and sewer utilities are needed for housing. This bill would be trying to look at the issues holistically. Many agencies have part of the information, but it is not all in one place, and no one is looking at the big picture. We need the information in one place to understand the scope of the problem and to come up with ideas for addressing the issues long term. People's health is in jeopardy right now. Agencies should be able to use current systems. The bill is just trying to look at what people are already doing. There is significant value in long-range infrastructure planning. Regulatory compliance costs are not fully incorporated into legislative thinking on affordability. Some of the largest utilities in the state estimate billions of dollars in costs and significant increases to utility bills because of new Puget Sound nutrient permitting requirements. Ecology has opposed reviewing the underlying science. This bill brings important issues to public attention. If necessary to amend the bill, it should focus on the most critical issues water systems are facing, such as systems that will run out of water within a decade. Perfluoroalkyl and polyfluoroalkyl substances are another issue with huge funding challenges, as contamination issues are popping up and it is very expensive to treat the contaminated water. Public utility districts can also be called in to take over small failing systems from homeowners, which is also a large expense.

(Opposed) None.

Persons Testifying: Representative Sharon Wylie, prime sponsor; Carl Schroeder, Association of Washington Cities; Heath Henderson, Clark Regional Wastewater District; and Bill Clarke, WA PUD Association and Pierce County Water Cooperative.

Persons Signed In To Testify But Not Testifying: None.