

SENATE BILL REPORT

ESB 5336

As Reported By Senate Committee On:
State & Local Government, February 3, 2000

Title: An act relating to sewer facility capacity charges.

Brief Description: Specifying allowable sewer facility capacity charges.

Sponsors: Senators Kline, Kohl-Welles, McDonald, Fraser and McAuliffe.

Brief History:

Committee Activity: State & Local Government: 2/4/99, 2/11/99 [DP]; 1/26/00; 2/3/00 [DPS].

Passed Senate, 3/3/99, 27-18.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: That Substitute Senate Bill No. 5336 be substituted therefor, and the substitute bill do pass.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Hale, Haugen, Horn, Kline and McCaslin.

Staff: Diane Smith (786-7410)

Background: A metropolitan municipal corporation engaged in the transmission, treatment, and disposal of sewage may impose a capacity charge when a user connects, reconnects, or establishes a new service. The capacity charges are based upon the cost of the sewage facilities' excess capacity that is necessary to provide sewage treatment for new users to the system.

Connection charges are imposed to ensure that new customers pay a proportionate share of the capital costs of facilities to match the sum already paid by existing customers through regularly imposed rates. The current capacity charge is \$10.50 per month per residential customer equivalent for connections and reconnections occurring after January 1, 1996, and prior to January 1, 2001. Capacity charges are usually used to retire debt incurred to finance construction.

King County's Wastewater Treatment Division (into which the sewage function of METRO was merged in 1994) proposes to construct a new secondary treatment plant and to expand the existing East Treatment Plant to meet the demands created by continued population growth.

Summary of Substitute Bill: It is clarified that a capacity charge may be imposed for connections to primary sewage collection facilities that discharge into the metropolitan municipal corporation's sewage facilities.

The metropolitan council assesses the monthly capacity charge on an annual basis to equitably share the cost of the system, including interest.

Substitute Bill Compared to Original Bill: The substitute bill eliminates reference to an escalating system of set monthly charges.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The substitute bill was considered at the hearing. All 33 local sewer districts in King County support local discretion to set capacity charges. The dollar limits in statute were set 10 years ago and are out of date especially in light of the new \$1.2 billion third treatment plant.

Testimony Against: None.

Testified: PRO: Larry Phillips, Council member, King County Council; Kurt Triplett, King County Department of Natural Resources; Jim Halstrom, Master Builders Assn, King and Snohomish Counties (concern).