

HOUSE BILL REPORT

SSB 5357

As Passed House

April 9, 1991

Title: An act relating to individuals or water purveyors identified as qualified satellite system management agencies.

Brief Description: Directing that criteria be established designating individuals or water purveyors as satellite system management agencies.

Sponsor(s): Senate Committee on Energy & Utilities (originally sponsored by Senators Barr and Madsen; by request of Joint Select Committee on Water Resource Policy).

Brief History:

Reported by House Committee on:

Natural Resources & Parks, April 4, 1991, DP;

Passed House, April 9, 1991, 98-0.

**HOUSE COMMITTEE ON
NATURAL RESOURCES & PARKS**

Majority Report: *Do pass.* Signed by 11 members: Representatives Belcher, Chair; Scott, Vice Chair; Beck, Ranking Minority Member; Brumsickle, Assistant Ranking Minority Member; Dellwo; Fraser; Hargrove; Morton; Riley; Sheldon; and Wynne.

Staff: Randy Acker (786-7129).

Background: Under the Public Water System Coordination Act of 1977 (Chapter 70.116 RCW), certain areas in the state have been declared "critical water supply service areas" because of either a proliferation of inadequate small systems or water supply problems that threaten reliability or quality. Within those areas, the Department of Health, local governments, and water purveyors have developed coordinated water plans. Those plans designate service territories for the water utilities in those areas. Within those service territories, no new purveyors of public water supplies are to be permitted unless the existing utility is unable to supply water. This coordinated planning has led to a "satellite management" system, where existing larger purveyors either own or operate water systems in their service territory that are not physically connected to their

system. It is the view of many professionals in the drinking water field that this approach has provided better operation and management of water supplies in these critical water supply service areas, and that such a program, even on an optional basis, would have value in areas of the state that have not been determined to be critical areas.

Summary of Bill: The Department of Health is required to adopt rules under the Administrative Procedure Act establishing criteria for designating individuals or water purveyors as qualified satellite system management agencies. "Satellite system management agencies" and "satellite agencies" are defined as persons or entities certified by the secretary of health to own or operate more than one public water system on a regional or county basis, without the necessity for a physical connection between them. The designation by the department would be for ownership or operation, or both, of an existing or proposed water system. The criteria is to include financial integrity and operational capability. The Department of Health shall approve satellite management agencies that meet the adopted criteria.

Each county is to identify potential satellite agencies to the Department of Health for areas where no purveyor has been designated under coordinated water plans, or where an existing purveyor is unable or unwilling to provide the service. A preference is to be given by the counties to public utilities or public utility districts or investor-owned utilities subject to UTC jurisdiction. Prior to construction of a new system, the person proposing it is to be directed by the local agency responsible for issuing the construction or building permit to one or more qualified satellite agencies designated for the service areas for the purpose of exploring the possibility of a satellite agency either owning or operating the proposed new system.

The department is to periodically review satellite agencies' continuing compliance with the established criteria. It may reapprove the agencies not less than once every five years. The department may assess reasonable fees to cover the application approval, and the fees are to be placed in a separate account subject to allotment under Chapter 43.88 RCW for administration of the program.

Fiscal Note: Requested March 29, 1991.

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

Testimony For: Many small water systems have had major problems in providing reliable and safe drinking water.

They need help in dealing with these problems, especially in light of the requirements under the recent changes to the federal Clean Water Act. Satellite system management provides alternative ways for small systems to solve their problems.

Testimony Against: None.

Witnesses: Rich Siefert, Department of Health; K.O. Rosenberg, Stevens County PUD; and Richard Cyr, Clark County Public Utilities.