

HOUSE BILL REPORT

ESSB 5910

As Reported By House Committee On:
Environmental Affairs

Title: An act relating to public drinking water systems.

Brief Description: Assisting public drinking water systems.

Sponsors: Senate Committee on Energy & Utilities (originally sponsored by Senator Sutherland).

Brief History:

Reported by House Committee on:
Environmental Affairs, April 1, 1993, DPA.

HOUSE COMMITTEE ON ENVIRONMENTAL AFFAIRS

Majority Report: Do pass as amended. Signed by 13 members: Representatives Rust, Chair; Flemming, Vice Chair; Horn, Ranking Minority Member; Van Luven, Assistant Ranking Minority Member; Bray; Edmondson; Foreman; Hansen; Holm; L. Johnson; J. Kohl; Linville; and Roland.

Minority Report: Without recommendation. Signed by 1 member: Representative Sheahan.

Staff: Harry Reinert (786-7110).

Background: *Public Water Systems Needs Assessment.* There are more than 13,000 public water systems in the state. The federal Safe Drinking Water Act (SDWA), which was substantially amended in 1986, imposes significant requirements on public drinking water systems. These systems may be either publicly or privately owned. The Department of Health estimates that about 4,700 of the state's systems fall within the SDWA requirements. Under the SDWA, drinking water systems serving 15 or more connections or 25 or more persons are required to meet stringent standards for drinking water quality. The SDWA requires considerable monitoring, and for water systems that use surface water sources, filtering may also be required.

Of the 4,700 drinking water systems covered by the SDWA, 2,200 are community residential systems which have fewer than 1,000 connections. One hundred seventy systems have more than 1,000 residential connections. These account for 71 percent of the state's residents. The remaining systems

serve non-residential populations, such as schools, churches, and businesses.

In 1991-92, the Department of Health surveyed public water systems covered by the federal Safe Drinking Water Act to determine the financial needs for the systems over the next several years. The assessment concluded that for the period between 1993-1999, there would be a combined capital need of \$2.22 billion. This includes \$686 million for compliance with the SDWA, \$831 million for rehabilitation and replacement of existing infrastructure, and \$707 million for growth. The assessment concluded that 80 percent of the capital costs would be incurred by the large systems.

The report also looked at the financial impact on drinking water systems of meeting the SDWA requirements. The costs are greater, on a proportional basis, for the smaller system. Very small systems, down to 10 connections, may have monthly expenses of over \$50 per connection to meet the monitoring and operational costs.

Finally, the report also examined potential sources of funding to meet the estimated needs. Over the past several years, there have been only limited loan and grant funds available to assist water systems in meeting their needs. Because the state constitution prohibits the gift of state funds to private entities, the ability of the state to assist in financing privately owned public water system infrastructure is limited. Most of the public water systems in the state are privately owned. The Department of Health estimates that the unmet need for the 1993-1999 period may be around \$917 million.

Public Works Projects. In 1985, the Legislature created the Public Works Board to administer the public works assistance account. The board was created in response to a public works report prepared in December 1983 which estimated that there were over \$4 billion in "critical projects for the planning, acquisition, construction, repair, replacement, rehabilitation or improvement of streets and roads, bridges, water systems, and storm and sanitary sewer systems." The board is authorized to provide loans and financial guarantees to local governments for public works projects. The board is composed of 13 members appointed by the governor from local governments and the public.

Summary of Amended Bill: The drinking water assistance account is created to provide loans and grants to public water systems. Public water systems subject to the federal safe drinking water act are eligible to apply for assistance from the account. The account is administered by the Department of Health and the Public Works Board. The

account is subject to appropriation. The department and the board may be reimbursed from the account for their expenses in administering the program. The account may receive funds from bonds authorized by the Legislature, transfers from other state funds, federal financial assistance, or other sources.

The Department of Health is directed to adopt guidelines for the use of the account. The guidelines must include provisions to:

- ∅ Make maximum use of available federal funds
- ∅ Be consistent with existing water resource planning and management requirements
- ∅ Give priority to least-cost solutions
- ∅ Assure implementation of conservation and demand management programs
- ∅ Provide assistance for planning and engineering
- ∅ Set minimum financial viability and water system planning standards
- ∅ Provide for testing and evaluation of water quality to give priority to systems with the greatest public health risks
- ∅ Coordinate with other state financial assistance programs.

The Public Works Board is directed to develop a financial assistance program using funds from the drinking water assistance account. The board is directed to establish criteria for grants and loans. The criteria must emphasize assistance to systems with the most critical public health needs. Priority is to be given to systems that are ready to begin work, will provide the greatest benefit to the greatest number of people, or other criteria established by the board in consultation with water purveyors.

State agencies which provide financial, testing, planning, consolidation, or restructuring assistance are directed to use cost-effective methods in providing that assistance.

Amended Bill Compared to Engrossed Substitute Bill: The amendment allows water systems subject to the federal safe drinking water act to apply for assistance from the account. The engrossed substitute bill allows public water systems with two or more connections to apply for assistance. The amendment also clarifies the provisions concerning the provision of cost-effective services and allows, but does not entitle, the Department of Health and the Public Works Board to be reimbursed for their expenses in administering the assistance program.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: The needs assessment recently completed by the Department of Health shows a tremendous need for capital investments in drinking water system infrastructure. There is a possibility that the federal government will soon make available to the state some funds to make these kinds of investments. This bill will establish a mechanism to allocate that money should it be appropriated.

Testimony Against: This bill is a back door effort to allow the Department of Health to require fluoridation of drinking water by allowing the department to adopt policy guidelines instead of administrative rules. This could result in allowing water systems to fluoridate their water without a vote of the people. The bill also would force small water systems to consolidate with larger ones. Many small water system users do not want to be forced into these larger systems.

Witnesses: Dave Clark, Department of Health (pro); Joe Daniels, Washington State Association of Wastewater Districts (pro); William Hahn, Kitsap Public Utility District (pro); Rosemarie Larson, citizen (con); Carolyn Pickett, citizen (con); Cheryl Quackenbush, citizen (con); and Dick Johnson, citizen (con).