

HOUSE BILL REPORT

HB 1415

As Reported By House Committee On:
Government Administration

Title: An act relating to compensation for public utility district commissioners.

Brief Description: Setting compensation for public utility district commissioners.

Sponsors: Representatives Chandler, Doumit, D. Schmidt, Murray, Radcliff, Cody, Johnson, Thompson, Sheldon, Cooper, Costa, Hatfield, McMorris, Sullivan and Kessler.

Brief History:

Committee Activity:

Government Administration: 2/4/97, 2/7/97 [DPS].

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunn; Dunshee; Reams; Smith; L. Thomas; Wensman and Wolfe.

Staff: Steve Lundin (786-7127).

Background: Public utility districts (PUDs) are municipal corporations authorized to generate and distribute electrical energy, provide potable water, and provide sewer service.

PUDs are governed by an elected board of commissioners composed of either three or five members. The commissioners receive per diem compensation at a rate of \$50 for each day, or major portion thereof, devoted to business of the PUD or for attending meetings, but not to exceed \$7,000 in any year.

In addition, PUD commissioners receive salaries as follows:

- Each commissioner of a PUD with gross electrical revenues of over \$15 million in the preceding fiscal year ending on June 30, receives a salary of \$500 per month;

- Each commissioner of a PUD with gross electrical revenues of from \$2 million to \$15 million in the preceding fiscal year ending on June 30, receives a salary of \$350 per month; and
- The commissioners of any other PUD serve without salary, but the board of commissioners of a PUD may provide for a salary of \$200 per month for each commissioner.

The state constitution prohibits elected officials who set their own salaries from increasing their salaries during their current terms of office.

Summary of Substitute Bill: A variety of changes are made to salaries for public utility district (PUD) commissioners.

The basis upon which PUDs are classified, to determine monthly salaries for commissioners, is altered from using the amount of their gross receipts from electrical utilities to using the amount of all their total gross revenues from any source.

Salary amounts are increased and PUDs are given the authority to increase these salaries to an even higher specified amount by action of the board of commissioners, as follows:

- The salary of a commissioner of a PUD that received gross revenue of more than \$15 million in the previous fiscal year ending June 30, is increased from \$500 to \$1,300 per month. The board of commissioners of such a PUD may pass a resolution increasing this salary to any specific dollar amount.
- The salary of a commissioner of a PUD that received gross revenue of from \$2 million to \$15 million in the previous fiscal year ending June 30, is increased from \$350 to \$900 per month. The board of commissioners of such a PUD may pass a resolution increasing this salary to any specific dollar amount.
- The amount of salary that the board of commissioners of any other PUD may by resolution provide for its members, is changed from \$200 to any specific dollar amount.

Substitute Bill Compared to Original Bill: A board of commissioners may increase the salary to any amount, rather than a specified higher amount that would be periodically adjusted for inflation.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Monthly salary amounts have not been increased since 1977. Salaries haven't kept pace with inflation. Many commissioners work on a full-time basis. It is hard to attract candidates without more compensation.

Testimony Against: None.

Testified: Representative Chandler, prime sponsor; Steve Duncan, PUD Association; Kathy Vaughn, Snohomish County PUD No.1; Bruce Jorgenson, Mason County PUD No. 3; Mike Conley, Grant County PUD No. 2; and Chuck Moon, Snohomish County PUD.