

HOUSE BILL REPORT

HB 1643

As Reported By House Committee On:

Government Administration

Title: An act relating to voter approval of city assumption of a water or sewer district.

Brief Description: Requiring voter approval of city assumption of water or sewer systems.

Sponsors: Representatives D. Schmidt, Scott, D. Sommers, Wolfe and Reams.

Brief History:

Committee Activity:

Government Administration: 2/14/97, 3/4/97 [DPS].

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Doumit; Dunn; Reams; Smith; L. Thomas; Wensman and Wolfe.

Minority Report: Do not pass. Signed by 3 members: Representatives Gardner, Assistant Ranking Minority Member; Dunshee and Murray.

Staff: Steve Lundin (786-7127).

Background: A city that includes all or part of a water-sewer district within its boundaries may assume control of all or part of the district's utility operations.

If all the territory of a water-sewer district is included within the boundaries of a city, the city legislative body may adopt an ordinance assuming control over all of the district's utility services, property, assets, and liabilities.

If 60 percent or more of either the area or assessed valuation of a water-sewer district is included within the boundaries of a city, the city legislative body may adopt an ordinance assuming control over either (1) all of the district's utility services, property, assets, and liabilities located inside the city; or (2) all the district's utility services, property, assets, and liabilities located both inside and outside of the city.

If less than 60 percent of the area and assessed valuation of a water-sewer district is included within the boundaries of a city, the city legislative body may adopt an ordinance assuming control over all of the district's utility services, property, assets, and liabilities located inside the city.

Whenever a city has assumed control over only a portion of a water-sewer district's services, property, assets, and liabilities, the board of commissioners of the district may submit a ballot proposition to the voters of the entire district that requires the city also to assume the responsibility to assume control over the district's services throughout the remainder of the district outside of the city.

Summary of Substitute Bill: A city may only assume the operations of a water-sewer district outside of the city if the area where such operations are assumed is contiguous to the city and the voters of the district who reside in that area approve a ballot proposition authorizing the assumption. Any rates that the city charges outside of its boundaries must be reasonable to all parties.

If a city assumes the operations of the portion of a water-sewer district that is located within the boundaries of the city, voters of the district who reside outside of the city in an area contiguous to the city, but not located in another city, may approve a ballot proposition requiring the city to assume responsibility to operate and maintain the district's facilities in that area.

A water-sewer district is disincorporated if a city assumes the responsibility to serve all of the customers of the district and all of the district's property, facilities, and equipment.

Substitute Bill Compared to Original Bill: A vote is only required if the city assumes the operations of a water-sewer district outside of the city's boundaries. The rates a city charges for such service outside of its boundaries must be reasonable to all parties. A water-sewer district is disincorporated if the all of the operations of the district are assumed by a city.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The customers of a water-sewer district outside of a city should have a vote if the city is assuming the operations of the district.

Testimony Against: (Original bill) Boundary review boards review for fairness. I don't know of a case in 15 years where any utility customers of Bellevue outside of the city have stated they are not represented. Cities can reduce costs when they assume the operations of districts.

Testified: (Pro:) Steve Lindstrom, Sno-King Water District Coalition; and Joe Daniels, Washington Association of Sewer/Water Districts.

(Con:) Dave Williams and Cathy Gerke, Association of Washington Cities; Lloyd Warren, city of Bellevue; Gary Lons, city of Lake Stevens; and Lloyd Warren, city of Bellevue.