

# HOUSE BILL REPORT

## SSB 5401

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**As Passed House**

April 8, 1997

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

**Brief Description:** Setting compensation for public utility district commissioners.

**Sponsors:** Senate Committee on Government Operations (originally sponsored by Senators Sellar, Snyder and Haugen).

**Brief History:**

**Committee Activity:**

Government Administration: 3/25/97 [DP].

**Floor Activity:**

Passed House: 4/8/97, 86-11.

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### HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

**Majority Report:** Do pass. Signed by 11 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; 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 Bill:** A variety of changes are made to salaries for 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.

PUD commissioner salaries 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 \$1,000 per month. The board of commissioners of such a PUD may pass a resolution increasing this salary to \$1,300 per month.
- 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 \$700 per month. The board of commissioners of such a PUD may pass a resolution increasing this salary to \$900 per month.
- The amount of salary that the board of commissioners of any other PUD may by resolution provide for its members is increased from \$200 to \$400 per month.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** No increase has been provided in decades.

**Testimony Against:** None.

**Testified:** Senator Snyder, sponsor; Steve Duncan, PUD Association; and Bruce Jorgenson, Mason County PUD.