

HOUSE OF REPRESENTATIVES
Olympia Washington

BilAnalysis

BilNo. HB 1415

Compensation for PUD Commissioners
Brief title

PublicArg: 2/4/97

Reps. Chandler/Doumit/Schmidt
Sponsor

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BACKGROUND:

Public utility districts (PUD's) are municipal corporations authorized to generate and distribute electric energy, provide potable water, and provide sewer service.

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

In addition PUD commissioner receive salaries as follows:

- o Each commissioner of a PUD with gross electrical revenues of over \$15 million in the preceding fiscal year ending on June 30 receives salary of \$500 per month;
- o 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 salary of \$350 per month; and
- o The commissioner 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 to set their own salaries from increasing their salaries during their current terms of office.

Continued

SUMMARY:

A variety of changes are made relating to public utility district (PUD) commissioner monthly salaries.

The basis upon which PUD's are classified to determine monthly salaries for commissioners, 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 PUD's are given the authority to increase these salaries to an even higher specified amount by action of the board of commissioners, as follows:

- o The salary of a commissioner of a PUD that received gross revenues of more than \$15 million in the previous fiscal year ending June 30, is doubled 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 and this higher amount is periodically adjusted for inflation.
- o The salary of a commissioner of a PUD that received gross revenues of from \$2 million to \$15 million in the previous fiscal year ending June 30, is doubled 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 and this higher amount is periodically adjusted for inflation.
- o The amount of salary that the board of commissioners of any other PUD may by resolution provide for its members is doubled from \$200 to \$400 per month and this higher amount is periodically adjusted for inflation.

An inflation adjustment factor is established and applied to the highest monthly salary amount that any board of commissioners of a PUD may authorize for its commissioners commencing on July 1, 1999, and on July 1 of each succeeding two years the Office of Financial Management calculates and publishes an adjustment to these higher salary amounts using any federal index the director determines most accurately reflects inflation in the state including the implicit price deflator for the United States.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment to session in which bill passed.