

# ANALYSIS OF HB 1969

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*House Agriculture & Ecology Committee  
1997*

*February 24,*

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## **BACKGROUND:**

*A seller of residential real property must provide a disclosure form to the buyer of the property. This form requires the seller to indicate such items as the type of sewage disposal that serves the property; whether the water supply is public, community, private, or shared; and whether there are water treatment systems for the property. The disclosure form does not require the disclosure of the owner/operator of the water system, or whether testing of the water quality of the water supply has shown violations of water quality standards.*

*Group A water systems are generally required to have a certified operator. The Department of Health (DOH) is required to phase in the requirements for certified operators for public water systems with less than 100 connections in order to assure that there are enough certified operators available to serve these systems, and to give these systems time to obtain a certified operator. Changes in federal law may require all Group A water systems to have certified operators.*

*The DOH is required to develop and implement a voluntary program to allow public water systems to be waived from the full testing requirements for chemicals under the federal Safe Drinking Water Act (SDWA). The department was required to pay for the initial testing and programmatic costs for the area wide waiver program, but could assess a fee to cover the costs to public water systems that applied for the waiver. The fee is to be adjusted based upon the size of the system. The services of local governments, local health departments, and private laboratories were to be used to the maximum extent feasible.*

*In 1995, the Legislature created a drinking water assistance account to allow the state to use federal funds that became available under the SDWA. The account is administered by the DOH and the Public Works Board (PWB) and is used to provide funding for water systems to assist them in providing safe drinking water. Money may only be expended from the account by the DOH or the PWB after appropriation. Congress approved funding under the SDWA in 1996 and implementing legislation is needed to distribute the funds on a timely basis.*

## **SUMMARY:**

*The disclosure form that the seller of residential real property must provide to the buyer of the property must indicate whether the water system that serves the property is a Group A or Group B system, the name of the system, a number where the owner/operator of the system may be contacted, and the current operating permit status of the system if it is a Group A system. In addition, the form must ask if monitoring and testing of the water supply has been done within the past three years without any violations of water quality standards.*

*The Department of Health (DOH) must require all Group A water systems to have a certified operator if it is necessary to conform to federal law, rules, or guidelines.*

*The DOH is required, to the extent that the Legislature provides funding through operating permit fees or by direct appropriation, to arrange for the initial sampling and provide for testing and programmatic costs under the voluntary source monitoring program to allow public water systems to be waived from full federal testing requirements for chemicals. The department must assess a fee to cover the testing and directly related costs to public water systems that otherwise are not funded. The department must use the services of local governments, local health departments, and private laboratories to the extent it is feasible and cost-effective.*

*Expenditures from the drinking water assistance account may only be made by the DOH, the Public Works Board (PWB), or the Department of Community, Trade, and Economic Development (DCTED) after appropriation. The money may only be used to assist water systems provide safe drinking water and other activities authorized under federal law. Interest earned on the account, including repayments, remain in the account.*

*The DOH, PWB, and DCTED must establish and maintain a program to use moneys in the drinking water assistance account in accordance with provisions under the federal Safe Drinking Water Act (SDWA). The DOH, PWB, and DCTED must establish guidelines and requirements for providing financial assistance to public water systems in consultation with purveyors, local governments, local health jurisdictions, financial institutions, other state agencies, and other affected parties. The guidelines and other requirements shall be developed promptly to ensure the quick disbursement of the funds.*

*Any state agency participating in providing service under the drinking water assistance account must provide cost-effective and timely services. These mechanisms include: (1) when allowed by law, using policy statements or guidelines, including federal guidelines, rather than rules; (2) using existing management mechanisms rather than creating new ones; (3) investigating the use of service contracts with governmental and nongovernmental service providers; (4) using joint or combined financial assistance applications; and (5) other methods designed to expedite the delivery of service and financial assistance.*

*The DOH is required to establish and maintain a program to use moneys in the safe drinking water assistance account. The DOH shall determine assistance priorities and oversee activities related to the assistance.*

*After consulting with interested parties, the DOH must establish guidelines and requirements for the provision of grants, loans, or other financial assistance to public water systems. The DOH must ensure that these guidelines and requirements: (1) utilize federal financial*

*assistance to the maximum extent, and are consistent with federal requirements; (2) are consistent with existing water resource planning and management; (3) prioritize least-cost solutions and the provision of regional facilities, and prioritize projects and activities that facilitate compliance with the SDWA and are intended to achieve public health objectives under the drinking water laws; (4) assure implementation of water conservation consistent with state guidelines; (5) provide assistance for necessary planning and engineering for the projects; (6) include minimum standards for water system capacity, financial viability, and water system planning; (7) provide for testing and evaluation of water quality of public water systems to assure priority for financial assistance is provided to systems with public health threats, and to reduce substantial increases in cost to small systems that would be incurred under the requirements of the SDWA; (8) coordinate with other state programs that provide financial assistance to public water systems or that address water quality or drinking water contamination problems; and (9) utilize definitions of affordability and disadvantaged community that are consistent with how these terms are used in other state and federal assistance programs.*

*The PWB must develop a financial assistance program in consultation with DOH and water purveyors using appropriated funds from the drinking water account. The PWB shall administer the program, to the extent necessary to meet federal requirements, to ensure that all federal grants, together with loan repayments and interest, are separately accounted for and used solely for the purposes prescribed under federal law.*

*The PWB must develop, in conjunction with the DOH, criteria for financial assistance to public water systems. The criteria must emphasize public water systems with the most critical public health needs; the capacity of the water system to effectively manage its resources; the ability to promptly commence the project; and the relative benefit to the community being served. Priority for funds will be given to those systems ready to proceed, that will provide improvements to the greatest number of people, and that meet other criteria that may be developed.*

*The PWB and the DOH shall begin making disbursements of funds from the drinking water assistance account no later than October 1, 1997.*