

HOUSE BILL REPORT

SSB 5781

As Passed House-Amended:

April 10, 1997

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: Senate Committee on Government Operations (originally sponsored by Senators McCaslin, Haugen, Morton, Rasmussen, Anderson, Swecker and Schow).

Brief History:

Committee Activity:

Government Administration: 4/1/97, 4/4/97 [DPA].

Floor Activity:

Passed House-Amended: 4/10/97, 98-0.

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: Do pass as amended. Signed by 13 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunn; Dunshee; Murray; Reams; Smith; L. Thomas; Wensman and Wolfe.

Staff: Steve Lundin (786-7127).

Background: Legislation was enacted last year combining water district laws and sewer district laws to authorize the creation of water-sewer districts on July 1, 1997.

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 of 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 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 that was a water district prior to July 1, 1997, that did not operate a sewer or drainage system, may not operate a sewer or drainage system in a city without approval of the city.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Voters in a water-sewer district outside of a city must approve a city's assumption of the district's system outside of the city before the city may assume the system.

Testimony Against: None.

Testified: Dave Williams, Association of Washington Cities; Steve Lindstrom, Sno-King Water District Coalition; and Joe Daniels, Washington Association of

Sewer/Water Districts.