

SENATE BILL REPORT

SB 5544

As Reported By Senate Committee On:
State & Local Government, March 3, 1999

Title: An act relating to assumptions of water-sewer districts by cities and towns.

Brief Description: Revising the law governing assumptions of water and sewer districts by cities.

Sponsors: Senator Patterson.

Brief History:

Committee Activity: State & Local Government: 3/1/99, 3/3/99 [DPS, DNPS].

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: That Substitute Senate Bill No. 5544 be substituted therefor, and the substitute bill do pass.

Signed by Senators Gardner, Vice Chair; Hale, Haugen, Horn and McCaslin.

Minority Report: Do not pass substitute.

Signed by Senator Patterson, Chair.

Staff: Diane Smith (786-7410)

Background: If all the territory of a water or sewer district lies within the corporate boundaries of a city, the city legislative authority may assume jurisdiction of the district by resolution or ordinance.

When either 60 percent or more of the area or 60 percent or more of the assessed valuation of real property lying within the district is included within the corporate boundaries of a city, the city may assume the entire district by ordinance, unless another city is included in whole or in part in the district. If two or more cities are involved, the cities of the lesser area or valuation must approve the assumption by the city having 60 percent or more.

When less than 60 percent of the area and less than 60 percent of the assessed valuation is within the corporate boundaries of the city, the city may assume by ordinance, the portion of the district lying within the city's corporate boundaries. If a majority of the voters in the district then so vote, the city must assume responsibility for the operation and maintenance of the entire district. The district then pays the city for extending these services to the district.

Summary of Substitute Bill: Only in the case where a city proposes to assume all or part of a district that is only partially included inside the city shall the voters of the district vote on the question whether the district outside the city must be assumed by the city. No public

facilities may be used by either the city or the district to support or oppose the proposed assumption after the adoption of the ordinance calling for the election.

Prior to the city's adoption of the resolution calling for a vote on the issue of assumption, the city must prepare a feasibility study. The district must make information available to the city including that otherwise exempt from public disclosure.

The assumption is not subject to review by the Boundary Review Board.

Within 24 months of the assumption, the part of the district lying outside the city that did not vote to require the city to include it in the assumption may petition the city to require a second vote on assumption. If this vote results in assumption, the rates for service must be equal between the city and former district areas. If such a second vote and consequent assumption occurs later than 24 months after the original assumption, the service rates for the former district area may differ from those charged within the city.

The Growth Management Act's requirement that countywide planning policies must address the promotion of contiguous and orderly development and provision of urban services to that development includes assumptions of water-sewer districts by cities. The district's comprehensive plan must discuss how it will serve the household and employment targets in any city, town, or county growth management comprehensive plan within the district's jurisdiction. Any district that fails so to do, after a certain period of time, is ineligible to benefit from any grant, loan or assistance administered by CTED.

Substitute Bill Compared to Original Bill: The original bill applied the 60 percent criterium only to the territory, not to the assessed value of the district.

The original bill required the Boundary Review Board (BRB) to consider specific criteria in its review of the proposed assumption. After BRB approval, the voters of the entire district would have to approve the assumption.

The original bill required 120 days for public debate on the ballot proposition. There was no prohibition on the use of public facilities in campaigning for or against the assumption. There was no feasibility study requirement and no AMA linkage.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The right to choose the government that represents us is what this country is founded on. This provides relief from an inequitable law. Of all other special purpose districts, only this one does not have protection for the ratepayers of the district. This streamlines the process. The district should not be allowed to stop growth that was otherwise planned. These are a small part of the BRB caseload. There were three concerns with Lakehaven: 33,000 were customers outside the district; no feasibility study was done; and lack of cooperation between the district and city officials.

Testimony Against: None.

Testified: PRO: Hal Sahlmann, Washington Association of Sewer and Water Districts; Kathleen Quong-Verineer, Highline Water District; Blair Burroughs, Joe Daniels, WASWD; Steve Lindstrom, Sno-King Water District Coalition; Roger Eberhart, Olympic View Water and Sewer District (concerns); NEUTRAL: Robert Chute, Shoreline Water District; Cynthia Prinull, Shoreline Water District.