

# FINAL BILL REPORT

## SSB 6340

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### C 214 L 08

Synopsis as Enacted

**Brief Description:** Providing for a water system acquisition and rehabilitation program.

**Sponsors:** Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Rockefeller, Morton, Sheldon, Swecker, Hobbs, Berkey and Kilmer).

**Senate Committee on Water, Energy & Telecommunications**

**Senate Committee on Ways & Means**

**House Committee on Capital Budget**

**Background:** The Water System Acquisition and Rehabilitation Program (WSARP) began in 2003 through biennial budget appropriations. WSARP grants protect public health by financing the transfer of ownership of failing drinking water systems to municipal systems with a history of sound utility management. WSARP grants also subsidize capital construction projects to help systems achieve compliance with state and federal safe drinking water standards.

With \$4 million appropriated in 2003, the Public Works Board approved grant funds for 18 projects. Twenty-eight water systems were acquired and rehabilitated. WSARP received \$2 million in 2005 and expects acquisition and rehabilitation of 12 additional water systems. In 2007 WSARP received \$3.75 million, with \$1 million of that appropriated for the City of Republic to acquire the Pine Grove Water System. WSARP is jointly administered by the state Department of Health (DOH), the Public Works Board (PWB), and the Department of Community, Trade and Economic Development (CTED).

**Summary:** An ongoing WSARP is established. The program is jointly administered by the DOH, the PWB, and CTED. The agencies are required to adopt guidelines for the program using, as a model, the procedures and criteria of the drinking water revolving loan program. The program will provide grants, not to exceed 25 percent of the funds allocated to the appropriation in any fiscal year, to partially cover project costs.

Additionally, the DOH, in consultation with the PWB, must prepare a report on the program.

The report must review:

- program projects initiated and completed to date;
- funding levels and funding sources;
- the form of assistance provided, whether grants or loans;
- funding cycles;
- potential eligibility of group B water systems (fewer than 15 service connections to single-family residences) for assistance;
- consideration of benefits other than public health or water quality benefits;
- activities that may be funded beyond acquisition, preconstruction design, and construction including the cost to agencies to operate the program;

- the project priority setting process and relative priority for funding projects for systems that serve few residential customers;
- requiring installation of service meters in funded projects;
- eligibility for grants of municipalities that have not owned and operated a group A water system (15 or more service connections to single-family residences) for at least five years;
- allowing an eligible purveyor that has already acquired a failing water system to be eligible for grants to cover any outstanding costs of rehabilitation of the failing water system;
- tiering of project priorities; and
- consideration of the system's rate base and the ability of the households on the system to afford rate increases to fund a portion of the necessary system rehabilitation.

The report must also include a survey of estimated WSARP funding needs, based on existing informal survey information from local governments, the Utilities and Transportation Commission, and purveyors. The report must be submitted to the fiscal and water policy committees of the Senate and the House of Representatives no later than January 1, 2009.

**Votes on Final Passage:**

Senate	44	0
House	94	0

**Effective:** June 12, 2008