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SENATE BILL 6340

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State of Washington

60th Legislature

2008 Regular Session

By Senators Rockefeller, Morton, Sheldon, Swecker, Hobbs, Berkey, and  
Kilmer

Read first time 01/15/08. Referred to Committee on Water, Energy &  
Telecommunications.

1 AN ACT Relating to water system acquisition and rehabilitation;  
2 adding a new section to chapter 70.119A RCW; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that it is the state's  
5 policy to maintain the highest quality and reliability of drinking  
6 water supplies to all citizens of the state. Small water systems may  
7 face greater challenges in this regard because of declining quality in  
8 water sources, catastrophic events such as flooding that impair water  
9 sources, the age of the system's infrastructure, saltwater intrusion  
10 into water sources, inadequate rate base for conducting necessary  
11 improvements, and other challenges. In response to these needs, the  
12 water system acquisition and rehabilitation program was created through  
13 biennial budget law, and through the current biennium has a total of  
14 nine million seven-hundred fifty thousand dollars toward assisting  
15 dozens of water systems to improve the quality of water supply service  
16 to thousands of customers.

17 It is the purpose of this act to establish an ongoing water system  
18 acquisition and rehabilitation program, to direct a review of the

1 program to date, and to provide for recommendations for strengthening  
2 the program and increasing the financial assistance available under the  
3 program.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.119A  
5 RCW to read as follows:

6 The department shall provide financial assistance through a water  
7 system acquisition and rehabilitation program, hereby created. The  
8 program shall be jointly administered with the public works board and  
9 the department of community, trade, and economic development. The  
10 agencies shall adopt guidelines for the program using as a model the  
11 procedures and criteria of the drinking water revolving loan program  
12 authorized under RCW 70.119A.170. All financing provided through the  
13 program must be in the form of grants that partially cover project  
14 costs. The maximum grant to any eligible entity may not exceed twenty-  
15 five percent of the funds allocated to the appropriation in any fiscal  
16 year.

17 NEW SECTION. **Sec. 3.** (1) The joint legislative audit and review  
18 committee shall prepare a report on the water system acquisition and  
19 rehabilitation program in section 2 of this act and make  
20 recommendations regarding strengthening the program and increasing the  
21 financial assistance provided through the program.

22 (2) The report shall:

23 (a) Identify the state's policies and objectives regarding water  
24 system management and operation, including regionalization, satellite  
25 management, and preventing the proliferation of small water systems;  
26 and

27 (b) Review the program's projects initiated and completed to date,  
28 and other state funding assistance for water system acquisition and  
29 rehabilitation.

30 (3) The report shall also review and make recommendations on the  
31 following:

- 32 (a) Funding levels and funding sources;
- 33 (b) The form of assistance provided, whether grants or loans;
- 34 (c) Funding cycles, including an annual or open cycle;
- 35 (d) Eligibility of group B systems for assistance;

- 1           (e) Consideration of benefits other than public health or water  
2 quality benefits, such as economic benefits;
- 3           (f) Activities that may be funded beyond acquisition,  
4 preconstruction design, and construction;
- 5           (g) Relative priority for funding projects for systems that serve  
6 few residential customers;
- 7           (h) Requiring installation of service meters in funded projects;
- 8           (i) Eligibility for grants of municipalities that have not owned  
9 and operated a group A water system for at least five years;
- 10          (j) Tiering of project priorities to provide the highest priority  
11 to assisting systems with a high public health risk; and
- 12          (k) Consideration of the system's rate base and the ability of the  
13 households on the system to afford rate increases to fund a portion of  
14 the necessary system rehabilitation.
- 15          (4) The report shall be provided to the fiscal and water policy  
16 committees of the senate and house of representatives not later than  
17 January 1, 2009.

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