

SENATE BILL REPORT

SB 6808

As of February 9, 2010

Title: An act relating to private infrastructure development.

Brief Description: Concerning private infrastructure development.

Sponsors: Senators Kilmer, Shin, Delvin and Kastama.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/03/10, 2/04/10
[DPS].

Ways & Means: 2/09/10.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 6808 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Zarelli, Ranking Minority Member; Delvin, Eide and Kilmer.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Brian Sims (786-7431)

Background: Wastewater systems in the state range from single home septic systems to large urban systems serving over one million customers. The Department of Health regulates onsite wastewater systems. Most of these onsite systems are built and operated by private individuals and organizations. Large wastewater systems are operated by local government entities such as counties, cities, sewer and water districts, and public utility districts. Large wastewater systems are regulated by the Department of Ecology.

The state Growth Management Act requires certain counties and cities to adopt comprehensive plans that include the provision of water and wastewater systems.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Utilities and Transportation Commission (UTC) regulates utilities and transportation services in the state to ensure fair pricing, availability, reliability, and safety. The UTC does not regulate wastewater utilities.

A system of sewerage may include: sanitary sewage collection, treatment, and/or disposal facilities and services; on-site or off-site sanitary sewerage facilities; large on-site sewage systems; combined sanitary sewage disposal and storm or surface water drains and facilities; storm or surface water drains, channels, and facilities; and other related services.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): A wastewater company is defined as an individual, partnership, or corporation that installs or operates a system of sewerage. For purposes of the jurisdiction of the UTC, wastewater companies do not include:

- publicly owned wastewater systems;
- companies that contract with publicly owned wastewater systems; or
- wastewater companies serving fewer than 100 customers.

A UTC certification process is established for wastewater companies. The UTC is to issue rules and regulations. A UTC process is established for transferring ownership of unfit wastewater companies to capable wastewater companies.

Municipal corporations or private utilities, including wastewater companies, may petition for amendments to county sewerage and/or water general plans.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute): A wastewater company is defined as an individual, partnership, or corporation that installs or operates a system of sewerage. A UTC certification process is established for wastewater companies. The UTC is to issue rules and regulations. A UTC process is established for transferring ownership of unfit wastewater companies.

Appropriation: None.

Fiscal Note: Available on original bill.
[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Proposed Substitute As Heard in Committee (Economic Development, Trade & Innovation): PRO: This could help people recognize the full benefit of the growth management act. Public financing for these types of projects is particularly difficult. This supports economic development and good paying jobs. When you invest \$1 in construction of this kind you get \$2 back in benefit. This provides adequate consumer protection. Within defined urban growth areas, public agencies don't have funding to extend infrastructure; either development does not occur or it occurs with individual septic

systems which is not sustainable on a long-term basis. Providing private sewerage services allows for clustering growth. The UTC does not currently have statutory authority to regulate rates for sewerage systems.

OTHER: The funding of these is very important. We are worried about failing systems. Water companies rate structure currently is not adequate and we don't want to repeat that situation. We want to think through how this would work – we could include maintenance bonding. We want to avoid system disrepair and rescue when their is failure.

Persons Testifying (Economic Development, Trade & Innovation): PRO: Rick Slunaker, Associated General Contractors; Craig Goodwin, Northwest Cascade.

OTHER: David Danner, UTC.