

SENATE BILL REPORT

SB 6808

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, February 4, 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].

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)

Background: Private utilities include all utilities, both public and private, which provide sewerage and/or water service and which are not municipal corporations. The ownership of a private utility may be in: a corporation, nonprofit or for-profit; a cooperative association; a mutual organization; or individuals.

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;
- inspection services and maintenance services for private or public on-site systems;
- combined sanitary sewage disposal and storm or surface water drains and facilities;
- storm or surface water drains, channels, and facilities;
- outfalls for storm drainage or sanitary sewage;
- works, plants, and facilities for storm drainage or sanitary sewage treatment and disposal, and rights and interests in property relating to the system;
- combined water and sewerage systems;

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- point and nonpoint water pollution monitoring programs that are directly related to the sewerage facilities and programs operated by a county; and
- public restrooms and sanitary facilities.

Private wastewater companies in Washington are not currently permitted to own and operate private sewerage systems serving more than seven to nine customers, depending on customer size. In some areas of the state, a lack of sewer services may be constraining economic development and growth.

The Utilities and Transportation Commission (UTC) regulates utilities and transportation services in the state to ensure fair pricing, availability, reliability, and safety.

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.

Municipal corporations or private utilities 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.

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:
 PRO: This could help people reorganize 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: PRO: Rick Slunaker, Associated General Contractors; Craig Goodwin, Northwest Cascade.

OTHER: David Danner, UTC.