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**SUBSTITUTE HOUSE BILL 2948**

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**State of Washington                      61st Legislature                      2010 Regular Session**

**By** House Local Government & Housing (originally sponsored by Representatives Eddy, McCoy, Springer, Goodman, Simpson, Seaquist, and Roach)

READ FIRST TIME 02/03/10.

1            AN ACT Relating to creating a study to evaluate public regional and  
2 interlocal water and sewer systems in Washington state; creating new  
3 sections; and providing an expiration date.

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

5            NEW SECTION.    **Sec. 1.** The legislature finds that in some areas of  
6 the state, the cooperative provision of certain water and sewer  
7 services would create efficiencies, reduce consumer rates, conserve  
8 water and energy, and cause the construction of more environmentally  
9 friendly infrastructure. It is the intent of the legislature to  
10 research the value of creating a statutory structure in Washington  
11 state that would encourage the formation of additional regional water  
12 and sewer systems or water system partnerships.

13            NEW SECTION.    **Sec. 2.** (1) For the purposes of this act:

14            (a) "Regional water and sewer system" means any public or publicly  
15 created regional or intergovernmental entity that provides water or  
16 sewer services to two or more local governments.

17            (b) "Water system partnerships" is defined as partnership options

1 ranging from, but not limited to, informal arrangements, such as  
2 sharing equipment, to transferring ownership of a system through  
3 consolidation.

4 (2) The governor shall convene a study group to evaluate regional  
5 water and sewer systems in Washington state and to determine what  
6 statutory changes are necessary to encourage the establishment and  
7 operation of regional water and sewer systems or water system  
8 partnerships. The study group consists of the following members:

9 (a) One member from each of the two largest caucuses of the senate,  
10 appointed by the president of the senate;

11 (b) One member from each of the two largest caucuses of the house  
12 of representatives, appointed by the speaker of the house of  
13 representatives;

14 (c) Two representatives from public regional water systems,  
15 including one that was formed as a watershed management partnership  
16 under RCW 39.34.200 and 39.34.210;

17 (d) One representative from a regional sewer system that consists  
18 of at least three cities and one county;

19 (e) One representative from the Washington association of sewer and  
20 water districts;

21 (f) One representative from a public utility district; and

22 (g) Two members appointed by the governor having extensive legal  
23 and policy experience with both local government and water/sewer  
24 issues.

25 (3) At a minimum, the study group shall research, review, and make  
26 recommendations on the following:

27 (a) Identify all existing and developing regional water and sewer  
28 systems and water system partnerships, and identify all known groups of  
29 local governments that are considering developing regional water and  
30 sewer systems or water system partnerships;

31 (b) For each of the groups identified under (a) of this subsection,  
32 the study group shall outline its history, objectives for forming,  
33 organizational structure, legal basis for formation and operation, and  
34 potential problems or challenges with respect to formation and  
35 operation under the current law;

36 (c) Review the laws, policies, and outcomes related to regional  
37 water and sewer systems and water system partnerships in at least two

1 states that are known to have successful operating regional water and  
2 sewer systems or water system partnerships;

3 (d) Evaluate and describe what potential benefits might be obtained  
4 by encouraging the formation of additional regional water and sewer  
5 systems or water system partnerships in Washington state. At a  
6 minimum, the study should consider potential operational efficiencies  
7 and cost and rate reductions;

8 (e) Identify Washington state statutes that may discourage the  
9 formation and operation of successful regional water and sewer systems  
10 or water system partnerships, and make recommendations on changes to  
11 the statutes that would encourage the formation and successful  
12 operation of additional regional water and sewer systems and water  
13 system partnerships in the state.

14 (4) The study group shall compile its findings and recommendations  
15 into a final report and provide its report to the legislature and  
16 governor by December 1, 2010.

17 (5) The study group shall function within existing resources and no  
18 specific budget may be provided to complete the study. The  
19 participants of the study group are encouraged to donate their time and  
20 their entities' staff resources to offset any costs.

21 (6) This section expires July 1, 2011.

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