Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Environment Committee

SSB 5364

Brief Description: Concerning public water system operating permits.

Sponsors: Senate Committee on Environment, Water & Energy (originally sponsored by Senators Swecker, Pridemore, Fraser, Nelson, Honeyford, Shin and Morton; by request of Department of Health).

Brief Summary of Substitute Bill

- Removes the statutory operating permit fees for Group A public water systems and satellite system management agencies.
- Requires the Department of Health to establish operating permit fees for Group A public water systems and satellite system management agencies by rule with certain limitations

Hearing Date: 3/8/11

Staff: Courtney Barnes (786-7194).

Background:

Group A Public Water System Operating Permit Fees.

Group A public water systems have 15 or more service connections, or regularly serve 25 or more people on 60 or more days per year. Group A public water systems must apply to the Department of Health (DOH) for an annual operating permit. A new permit application must be submitted upon any change in ownership of the system. Any person operating a public water system on July 28, 1991, may continue to operate the system until the DOH takes final action on a permit application.

The DOH may require each application to include information that is reasonable and necessary to determine that the system complies with application standards and requirements of the federal Safe Drinking Water Act and state law. The DOH must act on permit applications within 120

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days of receipt of the application or of any supplemental information required to complete the application.

Each application must be accompanied by an annual fee as set in statute. The current annual fees are as follows:

- \$25 for public water systems serving 15 to 49 service connections;
- \$1.50 per service connection for public water systems serving 50 to 3,333 service connections;
- \$1.50 per service connection plus 10 cents for each service connection in excess of 3,333 service connections for water systems serving 3,334 to 53,333 service connections; and
- \$10,000 for public water systems serving 53,334 or more service connections.

Satellite System Management Agency Fees.

In addition to the annual operating permit fees, the DOH may charge an additional one time fee of \$5 for each service connection in a new water system. The DOH must issue one operating permit to any approved satellite system management agency, as defined by the DOH. The operating permit fee for approved satellite system management agencies is \$1 per connection, per year for the total number of connections under the management of the approved satellite agency.

Summary of Bill:

Group A Public Water System Operating Permit Fees.

The statutory fees for Group A public water systems operating permits are removed. The DOH must adopt rules establishing categories of annual operating permit fees based on system size, complexity, and number of service connections. Fees charged must be sufficient to cover, but may not exceed, the costs to the DOH of administering a program for safe and reliable drinking water. The DOH must use operating permit fees to monitor and enforce compliance by Group A public water systems with state and federal laws that govern planning, water use efficiency, design, construction, operation, maintenance, financing, management, and emergency response.

The annual per-connection fee may not exceed \$1.50. The DOH must phase-in the implementation of any annual fee increase greater than 10 percent and establish the schedule for implementation by rule. Rules established by the DOH prior to 2020 must limit the annual operating permit fee for any public water system to no greater than \$100,000.

Satellite System Management Agency Fees.

The statutory fees for approved satellite system management agencies operating permits are removed. Operating permit fees for approved satellite system management agencies must be established by the DOH by rule. Rules established by the DOH must set a single fee based on the total number of connections for all Group A public water systems owned by a satellite system management agency.

Other.

The bill removes the provision that allows a person operating a public water system on July 28, 1991, to continue operating the system until the DOH takes final action on a permit application. The bill removes provisions creating a committee to create draft rules for water systems having fewer than 500 service connections.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.