

# SENATE BILL REPORT

## SB 5248

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As of February 3, 2011

**Title:** An act relating to the negotiated sale and conveyance of all or part of water systems owned by a municipal corporation.

**Brief Description:** Allowing the negotiated sale and conveyance of all or part of a water system by a municipal corporation to first class and code cities.

**Sponsors:** Senators Hobbs, Chase and Harper.

**Brief History:**

**Committee Activity:** Government Operations, Tribal Relations & Elections: 2/01/11.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

**Staff:** Karen Epps (786-7424)

**Background:** A public utility district (PUD) is a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. A PUD may operate on a countywide basis or may encompass a smaller jurisdiction. However, most PUDs have jurisdictional boundaries that are coextensive with a county and function as a regional governing body with respect to providing their statutorily authorized services to the public. There are currently 28 operating PUDs in this state, 19 of which provide water or wastewater services.

PUDs may sell or convey all or a part of its works, plants, systems, utilities, and properties after approval by the voters in the district. Additionally, PUDs may sell or convey all or a part of its property to another PUD without the approval of the voters. In 1963 the Legislature passed SSB 228 which allowed PUDs in certain counties to sell or convey all or a part of its water system to a city that owned its own water system without approval of the voters upon such terms and conditions as the district determines.

Prior to purchasing, acquiring, or constructing a public utility, a city must adopt an ordinance. The ordinance must describe the system or plan proposed and include the estimated cost. The ordinance must be submitted for ratification or rejection by majority vote of the voters of the city at a general or special election. Ordinances that provide for additions or

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improvements to an existing system or plant do not need to be submitted to the voters of the city.

**Summary of Bill:** A PUD in Snohomish County may sell or convey all or part of its water system to a city or town with a population of less than 65,000 that owns its own water system without the approval of the voters upon such terms and conditions as the district determines.

When a city adopts an ordinance approving the negotiated purchase of a public utility within that city that is owned by another city or town, it is not necessary to submit the ordinance to the voters of the city at a general or special election.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill is narrowly crafted and only affects the cities of Marysville and Shoreline. Each city is almost finished with successful negotiation with another public entity to transfer some water utility assets. This bill will allow each jurisdiction to complete the transaction more quickly and less expensively.

**Persons Testifying:** PRO: Senator Hobbs, prime sponsor; Al Aldrich, Kevin Nielsen, City of Marysville; Scott MacColl, Mark Relph, City of Shoreline.