

SENATE BILL REPORT

HB 2170

As of February 26, 2014

Title: An act relating to providing an additional method for water-sewer districts to disburse funds.

Brief Description: Providing an additional method for water-sewer districts to disburse funds.

Sponsors: Representatives Takko and Kochmar.

Brief History: Passed House: 2/12/14, 98-0.

Committee Activity: Governmental Operations: 2/25/14.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Karen Epps (786-7424)

Background: Water-sewer districts (districts) provide water and sewer services to incorporated and unincorporated areas. Districts are established through a petition, public hearing, and voter approval process and are each managed by a board of three or five elected commissioners (board) who serve staggered six-year terms. District powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside of the district, and to develop and operate systems of sewers and drainage. In addition, a district has the authority to create facilities, systems, and programs for the collection, interception, treatment, and disposal of wastewater, and for the control of pollution from the wastewater.

Generally, the county treasurer acts as the treasurer of a district located within the county. Based on information submitted by the district, the county auditor issues warrants and sends them to the county treasurer for payment. Districts with 2500 or more customers may appoint their own treasurer, if authorized by the county treasurer. An appointed treasurer possesses the powers of the county treasurer and county auditor for the district concerning the creation of funds, issuing warrants, and investing district monies.

Summary of Bill: Districts that have maintained an annual operating budget of over \$5 million for each of the last three years may adopt a policy by resolution to issue their own warrants for payments of claims or other obligations of the district. Districts that have maintained an annual operating budget between \$250,000 and \$5 million for each of the last three years are authorized, upon agreement with the county treasurer, to adopt a policy to

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issue their own warrants for payments of claims or other obligations of the district. The board, after auditing all payrolls and bills, issues one general certificate to the county treasurer, authorizing the county treasurer to pay all the warrants specified and the fund from which payment will be made. The district may then issue warrants specified in the general warrant.

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 allows districts of a certain size to do their own warrants. Some counties do not issue warrants often enough and sometimes bills do not get paid on time. This bill will make it quicker and easier for districts to stay current on their bills. Districts worked with the county treasurers to develop this bill. The provisions in this bill are identical to provisions in the fire district statutes, giving fire districts the authority to write their own checks. Some districts have had problems getting checks processed and bills paid in a timely manner. The underlying statute is old and there have been changes around the way bills are paid using electronic means. Districts are not able to take advantage of paying by electronic means and this bill will help them to get their bills paid on time.

Persons Testifying: PRO: Representative Takko, prime sponsor; Joe Daniels, WA Assn. of Sewer/Water Districts; William "Bill" Neal, North Beach Water District.