

# HOUSE BILL REPORT

## HB 1241

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**As Reported by House Committee On:**  
Local Government

**Title:** An act relating to insurance coverage for water-sewer district commissioners.

**Brief Description:** Addressing insurance coverage for water-sewer district commissioners.

**Sponsors:** Representatives Appleton, Griffey, Dolan, Gregerson, Doglio and Pollet.

**Brief History:**

**Committee Activity:**

Local Government: 1/23/19, 1/30/19 [DP].

**Brief Summary of Bill**

- Allows water-sewer districts, regardless of the number of customers the district has, to provide insurance coverage to its commissioners if it provides such coverage to employees.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 5 members: Representatives Pollet, Chair; Peterson, Vice Chair; Appleton, Goehner and Senn.

**Minority Report:** Do not pass. Signed by 1 member: Representative Kraft, Ranking Minority Member.

**Staff:** Yvonne Walker (786-7841).

**Background:**

Water-sewer districts (districts), a type of special purpose district, were created to further public health and safety and to furnish water, sewerage, and drainage services.

Districts develop and operate systems of sewers and drainage and are authorized to create facilities, systems, and programs for the collection, interception, treatment, disposal, and control of pollution from wastewater. Districts may also fix rates and charges for services,

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enter into contracts, levy taxes, and issue bonds. Water-sewer districts are governed by boards of elected commissioners consisting of three to seven members that are elected to six-year terms.

Insurance Coverage.

Upon approval of its board of commissioners, an individual district may enter into a contract to provide health care, life, and social security insurance coverage for the benefit of its employees. In addition, if deemed expedient, any two or more districts may jointly procure and pay for health care and life insurance for its employees.

A district with 5,000 or more customers that provides health, group, or life insurance to its employees may also provide its commissioners with the same insurance coverage. However, the amount paid for a commissioner cannot exceed the per person amount paid by the district for its employees.

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**Summary of Bill:**

In all instances, a district that provides health, group, or life insurance to its employees may also provide the same coverage to its commissioners. The requirement that a district needs to have 5,000 or more customers is eliminated as a factor to providing insurance coverage to its commissioners.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This bill allows water-sewer districts, regardless of the amount of customers the district has, to provide insurance to its commissioners. Water-sewer districts are the only jurisdiction where there is a customer threshold as to whether or not the commissioners can participate in their employees' health care plan. Commissioners cannot have additional benefits; it has to be the same benefit coverage as all other employees.

The original enabling legislation that created water-sewer districts may have interpreted customers as population. However, since that time, some jurisdictions may have as little as 3,000 customers but have a population of over 16,000 due to residents living in apartments and condos. Water-sewer district commissioners are not compensated but they do receive a per diem. As a result, it is often difficult to recruit people to run for these positions. In some districts, the positions were vacant because no one ran for election to fill the positions. The act of providing insurance may be an incentive to fill some of the vacant commissioner spots.

(Opposed) None.

**Persons Testifying:** Representative Appleton, prime sponsor; and Joe Daniels, Washington Association of Water and Sewer Districts.

**Persons Signed In To Testify But Not Testifying:** None.