

SENATE BILL REPORT

SB 5313

As of February 5, 2013

Title: An act relating to modifying the criteria for public works assistance.

Brief Description: Modifying the criteria for public works assistance.

Sponsors: Senator Carrell.

Brief History:

Committee Activity: Governmental Operations: 2/04/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Karen Epps (786-7424)

Background: The Public Works Assistance Account (Account), commonly known as the Public Works Trust Fund, was created by the Legislature in 1985 to provide a source of loan funds to assist local governments and special purpose districts with infrastructure projects. The Public Works Board (Board) is authorized to make low-interest or interest-free loans from the Account to finance the acquisition, construction, repair, replacement, or improvement of the following systems: bridges, streets, and roads; water, storm, and sanitary sewage systems; and solid waste facilities, including recycling. The Board also makes loans for pre-construction, emergency, and capital facility planning purposes. All local governments except port districts and school districts are eligible to receive loans.

The Account receives dedicated revenues from the public utility tax on water and sewer service, the solid waste collection tax, a portion of the real estate excise tax, and loan repayments. Money in the Account must be used to make loans, give financial guarantees to local governments for public works projects, and may also be appropriated as the required 20 percent state match to the federal Drinking Water State Revolving Fund jointly managed by the Board and the Department of Health. Appropriations from the Account are made in the capital budget, but the Board's ranked list of recommended construction projects is submitted annually to the Legislature in a separate bill. Funds cannot be obligated by the Board until the Legislature has appropriated funds for a specific list of projects. Loans approved by the Board for pre-construction, emergency, and planning purposes are not subject to legislative approval.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Board, staffed by the Department of Commerce, includes 13 voting members: two elected officials and one public works manager representing cities; two elected officials and one public works manager representing counties; three members representing public utility and water-sewer districts; and four members representing the general public.

Summary of Bill: When approving public works projects, the Board must consider whether the project includes low-cost alternatives to traditional construction techniques, including pipe bursting for sewer, stormwater, and water delivery infrastructure, when assigning priority to a project.

The Board must report to the Legislature by December 31, 2013, on the progress of changes to administrative rules and specific criteria developed by the Board. The Board must report to the Legislature by December 31, 2014, on the use of pipe bursting on public works projects, including the number of projects identified and given preference for using low-cost alternatives to construction, and the cost savings from those projects.

Appropriation: None.

Fiscal Note: Available.

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: There is concern that not enough emphasis is given to methods of construction that do not require a sewer pipe to be actually dug up out of the ground in order to be replaced. Most of the areas that are in need of a sewer system already have sewer systems, so the issue becomes how best to replace the system. Pipe bursting is a viable method and it will save money. There may be other construction methods that will save money and those should be used as well.

CON: There are other methods that can do this kind of work. Any method has limitations. Pipe bursting has limitations around the type of ground it can be used in, the type of pipe that is being burst, and up-sizing the pipes. Other methods that can be used are deep pipe boring and pipe jacking. There are situations in which excavation is the most cost-effective method of construction. This bill as currently written picks winners and losers. This bill could penalize some projects. Construction methodology is a local decision based on many factors and the construction method is not always known at the time a local jurisdiction applies for a loan. The Public Works Trust Fund acts as a bank and should not make engineering decisions. Design decisions are best left to the public officials that manage the public entity. These are large projects and there could be challenges with implementation of pipe bursting on some of these projects.

OTHER: Pipe bursting occurs when something is inserted into an existing pipe and as the process goes forward the existing pipe is burst and replaced by a larger pipe in its place. The Board can already consider these construction alternatives. The Board has done a marvelous job making low interest loans and there has never been a default. This bill could have unintended consequences.

Persons Testifying: PRO: Senator Carrell, prime sponsor.

CON: Van Collins, Associated General Contractors; Alison Hellberg, Assn. of WA Cities; Dave Ducharme, National Utilities Contractors Assn.; Scott Hazlegrove, WA Assn. of Water and Sewer Districts.

OTHER: Steve Lindstrom, Sno-King Water District Coalition.