

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 6340**

60th Legislature  
2008 Regular Session

Passed by the Senate February 18, 2008  
YEAS 44 NAYS 0

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**President of the Senate**

Passed by the House March 7, 2008  
YEAS 94 NAYS 0

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**Speaker of the House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6340** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 6340**

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Passed Legislature - 2008 Regular Session

**State of Washington                      60th Legislature                      2008 Regular Session**

**By** Senate Water, Energy & Telecommunications (originally sponsored by Senators Rockefeller, Morton, Sheldon, Swecker, Hobbs, Berkey, and Kilmer)

READ FIRST TIME 01/18/08.

1            AN ACT Relating to water system acquisition and rehabilitation;  
2 adding a new section to chapter 70.119A RCW; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            NEW SECTION.    **Sec. 1.** The legislature finds that it is the state's  
5 policy to maintain the highest quality and reliability of drinking  
6 water supplies to all citizens of the state. Small water systems may  
7 face greater challenges in this regard because of declining quality in  
8 water sources, catastrophic events such as flooding that impair water  
9 sources, the age of the system's infrastructure, saltwater intrusion  
10 into water sources, inadequate rate base for conducting necessary  
11 improvements, and other challenges. In response to these needs, the  
12 water system acquisition and rehabilitation program was created through  
13 biennial budget law, and through the current biennium has a total of  
14 nine million seven-hundred fifty thousand dollars toward assisting  
15 dozens of water systems to improve the quality of water supply service  
16 to thousands of customers.

17            It is the purpose of this act to establish an ongoing water system  
18 acquisition and rehabilitation program, to direct a review of the

1 program to date, and to provide for recommendations for strengthening  
2 the program and increasing the financial assistance available under the  
3 program.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.119A  
5 RCW to read as follows:

6 Subject to the availability of amounts appropriated for this  
7 specific purpose, the department shall provide financial assistance  
8 through a water system acquisition and rehabilitation program, hereby  
9 created. The program shall be jointly administered with the public  
10 works board and the department of community, trade, and economic  
11 development. The agencies shall adopt guidelines for the program using  
12 as a model the procedures and criteria of the drinking water revolving  
13 loan program authorized under RCW 70.119A.170. All financing provided  
14 through the program must be in the form of grants that partially cover  
15 project costs. The maximum grant to any eligible entity may not exceed  
16 twenty-five percent of the funds allocated to the appropriation in any  
17 fiscal year.

18 NEW SECTION. **Sec. 3.** (1) The department of health, in  
19 consultation with the public works board, shall prepare a report on the  
20 water system acquisition and rehabilitation program in section 2 of  
21 this act and make recommendations regarding strengthening the program  
22 and increasing the financial assistance provided through the program.

23 (2) The report shall:

24 (a) Identify the state's policies and objectives regarding water  
25 system management, operation, and regulation, including  
26 regionalization, satellite management, and prevention of the  
27 proliferation of small water systems; and

28 (b) Review the program's projects initiated and completed to date,  
29 and other state funding assistance for water system acquisition and  
30 rehabilitation.

31 (3) The report shall also review and make recommendations on the  
32 following:

33 (a) Funding levels and funding sources;

34 (b) The form of assistance provided, whether grants or loans;

35 (c) Funding cycles, including an annual or open cycle;

36 (d) Eligibility of group B systems for assistance;

- 1 (e) Consideration of benefits other than public health or water  
2 quality benefits, such as economic benefits;
- 3 (f) Activities that may be funded beyond acquisition,  
4 preconstruction design, and construction, including the cost to  
5 agencies to operate the program;
- 6 (g) The project priority setting process and relative priority for  
7 funding projects for systems that serve few residential customers;
- 8 (h) Requiring installation of service meters in funded projects;
- 9 (i) Eligibility for grants of municipalities that have not owned  
10 and operated a group A water system for at least five years;
- 11 (j) Allowing an eligible purveyor that has already acquired a  
12 failing water system to be eligible for grants to cover any outstanding  
13 costs of the rehabilitation of the failing water system;
- 14 (k) Tiering of project priorities to provide the highest priority  
15 to assisting systems with a high public health risk; and
- 16 (l) Consideration of the system's rate base and the ability of the  
17 households on the system to afford rate increases to fund a portion of  
18 the necessary system rehabilitation.
- 19 (4) The report shall include a survey of estimated water system  
20 acquisition and rehabilitation program funding needs, based on existing  
21 informal survey information from local governments, the utilities and  
22 transportation commission, and purveyors.
- 23 (5) The report shall be provided to the fiscal and water policy  
24 committees of the senate and house of representatives not later than  
25 January 1, 2009.

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