

HCS SB 154 -- NONPROFIT SEWER COMPANIES

SPONSOR: Goodman (Wallace)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Rural Community Development by a vote of 10 to 0.

This substitute authorizes a nonprofit sewer company to provide the same services as provided by a nonprofit water company in areas not within the boundaries of a public water supply district or within the certificated area of a water corporation.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that the bill will allow nonprofit sewer companies to manage the water supply, too. Clean water must be maintained and the way to do that is by maintaining the sewer systems. Nonprofit sewer companies do not necessarily own the sewer system, they simply manage it. It makes sense that they would also manage the water system. Wastewater treatment plants and drinking water systems are sometimes owned and operated by either the developer or the property owners' association. These systems typically begin to fail due to improper maintenance, and it is difficult for them to comply with the requirements of regulatory agencies. Developers build the system and typically donate it to a nonprofit sewer company to manage as well as the water supply. Unfortunately, current law does not allow nonprofit sewer companies to own and operate water systems. One company managing both systems would be better for consumers for service and billing purposes. These economies of scale will benefit the property owners in these developments.

Testifying for the bill was Senator Goodman.

OPPOSERS: There was no opposition voiced to the committee.