Joint Select Committee on Junior Taxing Districts, Municipal Corporations, and Local Government Finance

Staff Assignments (and Responses) and Potential Recommendation Frameworks resulting from the December 3, 2012 Committee Meeting

December 7, 2012

I. STAFF ASSIGNMENTS

1. Examine 'board of joint control' provisions promoted by Sen. Honeyford in 1996 legislation affecting irrigation districts.

<u>RCW Chapter 87.80</u> authorizes a county legislative authority to create a board of joint control comprised of irrigation districts or operating entities for divisions within a federal reclamation project that share water from the same source. The board of joint control can provide for efficient administration of reservoirs, canals, interties and other irrigation facilities shared by multiple districts or entities.

Boards of joint control were originally authorized in 1949. Legislation enacted in 1996 made significant changes that facilitated creation of the first (and, to date, only) board of joint control in the state: the Roza-Sunnyside Board of Joint Control (RSBOJC). Information below is extracted from a 2012 state audit of the RSBOJC, the RSBOJC website, and other sources.

The RSBJOC. The RSBOJC was created in 1996 as a joint venture of the Roza Irrigation District, the Sunnyside Valley Irrigation District, and the Sunnyside Division of the Yakima Reclamation Project (Grandview Irrigation District, Benton Irrigation District, Zillah, Sunnyside, Grandview, Prosser).

The drive to create RSBOJC began in 1994, when a group of landowners approached the Roza Irrigation District and Sunnyside Valley Irrigation District and suggested forming a joint committee to address similar concerns of both districts. After successfully promoting the 1996 legislation noted above, the landowner group, following the procedure specified in statute, petitioned the Yakima County Board of Commissioners to create a board of joint control. Following a public hearing process, Yakima County commissioners approved the petition on August 13, 1996, creating the RSBOJC.

The RSBOJC is composed of five Roza Irrigation District and Sunnyside Valley Irrigation District directors and two members appointed by the Sunnyside Division Board of Control.

The RSBOJC's purpose is to develop, perform, fund and monitor projects related to federal water quality requirements and to comply with the federal Endangered Species Act. The cost of its operations and activities are split 58 percent to the Sunnyside Valley Irrigation District and 42 percent to the Roza Irrigation District. The RSBOJC uses management and accounting services of the Sunnyside Valley Irrigation District.

The RSBOJC reportedly achieves operational efficiencies by using pooled equipment, coordinating water management, administering joint facilities, sharing employees, having a joint water conservation plan, and coordinating education of internal and external audiences.

Other Proposed Boards of Joint Control. Proposals to create other boards of joint control have been considered in other counties, including a recent proposal in Chelan County.

2. Identify special purpose district barriers/impediments to consolidation, cooperation, coordination, and dissolution.

<u>Consolidation, cooperation, coordination.</u> The statutory barriers or impediments to consolidation, cooperation, and coordination between local governments do not appear to be extensive. Cooperation, in fact, has been promoted through legislative efforts. More specifically, in an attempt to permit local governmental units to make efficient use of their powers through mutually cooperative relationships with other localities, the Legislature adopted the Interlocal Cooperation Act (ICA) in 1967. The ICA (<u>ch. 39.34 RCW</u>) authorizes the sharing of services and equipment between local governments, including between general purpose local governments (cities and counties) and special purpose districts.

Under the ICA, any power, privileges, or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having the power, privilege, or authority. The ICA also allows public agencies to jointly exercise powers, privileges, or authorities with any public agency of any other state or of the United States, subject to applicable state and federal laws. Furthermore, the ICA authorizes joint financing of projects between participating public agencies, provided the terms of the financing are jointly agreed upon.

Under the ICA, the term "public agency" is defined to mean any agency, political subdivision, or unit of local government of this state including, but not limited to:

- Municipal corporations, quasi municipal corporations, special purpose districts, and local service districts;
- Any agency of the state government;
- Any agency of the United States;
- Any Indian tribe recognized as such by the federal government; and
- Any political subdivision of another state.

<u>Dissolution</u>. Although many special purpose districts have specific dissolution provisions included in their general governance statutes, in 1979 the Legislature adopted a general framework for the dissolution of inactive special purpose districts. The legislation, enacted as (<u>ch. 36.96 RCW</u>), allows county legislative authorities to dissolve districts meeting specified multi-year 'inactive' criteria if public notice, hearing, and findings requirements are satisfied.

The dissolution provisions of ch. 39.96 RCW are not exclusive, and are in addition to other dissolution methods provided by law.

As defined in chapter 39.96 RCW, the term "special purpose district" means every municipal and quasi-municipal corporation other than counties, cities, and towns. "Special purpose districts" include, but are not limited to, water-sewer districts, fire protection districts, port districts, public utility districts, county park and recreation service areas, flood control zone districts, diking districts, drainage improvement districts, and solid waste collection districts. The term does not include industrial development districts created by port districts, and does not include local improvement districts, utility local improvement districts, and road improvement districts.

3. Identify revenue sources (including optional sources) available to cities and counties that have use restrictions.

See County-City Revenues Attachment.

II. POTENTIAL RECOMMENDATION FRAMEWORKS (AS IDENTIFIED BY COMMITTEE MEMBERS)

- 1. Consolidation of Services:
 - a. Examine statutory options for giving jurisdictions greater ability consolidate, cooperate, coordinate, and dissolve
 - b. Examine options for creating or promoting educational resources for special purpose district officials
- 2. Initiative 1183:
 - a. Restore \$10M (in lost excise tax revenue)
 - b. Restore growth factor formula to pre-initiative level (50/50 split of excess liquor revenues) for future sales
- 3. Revenue:
 - a. Examine options for greater flexibility for use of county and city revenues
- 4. Community Councils:
 - a. Rep. Springer will make recommendations:
 - i. Shifting community council costs to council area (potential recommendation)
 - ii. Requiring the entire city to vote in elections determining whether the council will continue (potential recommendation)