

UTILITY UNIFICATION

An issue brief by the Master Builders Association of King and Snohomish Counties



BACKGROUND

Washington has authorized nonprofit, locally regulated public utility districts to “conserve the water and power resources of the State of Washington for the benefit of the people thereof, and to supply public utility service, including water and electricity for all uses.” Utility districts are authorized to perform almost any function necessary to provide services and are managed independently by a board of commissioners. Such utility districts may include one or more county, city, or town, and each of these subdivisions may be serviced by multiple utility districts. In fact, King County alone has nearly fifty utility districts and companies. As a result, developers and customers face confusion and inefficiencies; residents often have to deal with multiple entities when signing up for service, inquiring about bills, and making payments. Additionally, boundaries between districts are often unclear, so developers and new customers have to make several calls to determine the correct service provider. Finally, developers must work with multiple agencies throughout the permitting process, all with different policies, goals, timeframes and procedures.

To help alleviate many of these problems, some cities have begun the process of unifying utility services within their city boundaries. This unification is authorized by Washington statute, which allows utility districts to convey services to cities if it is advantageous to consumers. In studying utility unification, cities have discovered that, in addition to convenience benefits to its citizens, unification results in large cost efficiencies. Further, cities will be able to coordinate maintenance and emergency response and provide unified policies for such issues as financial policies, rate setting, maintenance and growth. These benefits will provide for a more cohesive operation and better service for customers.

SOLUTION

Encourage cities to negotiate agreements with utility providers to purchase and operate unified utilities within the city’s boundaries.

BENEFIT

- Direct utility savings. For example, Shoreline estimates utility unification may result in savings up to \$82 million over and reduction of the general operation costs by 9.9% between 2020 and 2040.
- Allows cities to streamline the permitting process: Customers will have one interface with the city for all water/wastewater and building permitting, which reduces time and costs.
- Allows consistent policies across all utilities, which are also consistent with the policy goals of the city.
- City can improve infrastructure in areas where the city wants to encourage growth.
- Improves coordination between utility work and street work.
- Gives citizens greater control because their local elected officials directly govern utilities within the city.
- Reduces time and confusion associated with customers having to sign up and receive billing from multiple utilities.
- Allows cities to coordinate emergency response and maintenance.