

Receivership FAQ

The state Department of Health (DOH) and local health jurisdictions share responsibility for enforcing state drinking water regulations to ensure safe, reliable drinking water. DOH tracks water system sample results, conducts technical investigations, and takes action as needed to ensure compliance.

When a water system fails to provide safe and reliable water, DOH uses a variety of tools to bring it back into compliance. These include informal actions such as phone calls, letters, site visits and technical assistance, and formal enforcement actions such as issuing orders and penalties.

In most cases, by the time formal enforcement action occurs, the water system has exhausted all reasonable justification for not meeting DOH requirements. As a last resort, if the system fails to respond, the court may appoint a receiver to operate the water system.

What is a receiver?

A receiver is an entity appointed by the court to manage a water system. Generally, the court intends receivership to be temporary until a permanent solution for the water system is found.

How long is the receiver in control of the water system?

The length of time varies. However, DOH must present a disposition plan to the court within 12 months after the receiver is appointed.

What do potential receivers need to know?

DOH can recommend an entity to the court for appointment as a receiver. They must know how to manage a water system operation effectively. This includes, but is not limited to the ability to:

- Comply with applicable drinking water regulations.
- Evaluate the system to determine needed improvements.
- Coordinate repairs, capital improvements and water quality testing.
- Communicate with customers.
- Work with the Utilities and Transportation Commission (UTC) for rate increases, if the UTC regulates the system.

How does the receivership process get started?

In most cases, systems placed in receivership have a history of problems. The process starts when DOH and the Office of the Attorney General (AG) determine the water system is a candidate for receivership. Next, DOH schedules a meeting to discuss the issue with the system's customers, and the AG prepares a petition laying out steps DOH wants to take, including the name of a recommended receiver. The AG will file the petition with the superior court in the county where the water system is located.

How long does it take the court to appoint a receiver?

If it's not an emergency, the court usually appoints a receiver within one month after the AG files the petition. If it is an emergency, the court may set a hearing within three days to appoint a temporary receiver. The court will schedule a full hearing within 14 days of the temporary appointment.

What powers does a receiver have?

The court can grant broad powers needed to operate the water system, including, but not limited to:

- Operating and maintaining the system in compliance with drinking water requirements.
- Making needed improvements.
- Imposing reasonable assessments on water system customers.
- Setting up an account for receipt of all fees for water service charged to customers.
- Receiving reasonable compensation for the cost of services, improvements and system operations.

Does anyone check to ensure assessments imposed on customers are fair?

The court grants broad powers to the receiver, including reasonable assessments on customers. The receiver is expected to account for all expenditures and be able to justify them to the court. The court can ask DOH or another knowledgeable entity to review and ensure the assessment is reasonable.

What happens if there are no qualified or willing receivers available?

The court appoints the county in which the water system is located as the receiver. The county must then designate a county agency or contractor to run the water system.

How does the court determine the final disposition of the water system?

The court bases its decision on a disposition plan, which DOH develops in conjunction with the county and the local health jurisdiction. The disposition plan includes the receiver's recommendations for future operation of the water system and all reasonable and feasible alternatives. The court may order the parties to implement one or a combination of the alternatives.

Can the court return the system to its original owner(s)?

Yes, but only with DOH's approval. If DOH approves the return, the court may impose reasonable conditions for operation. These conditions may include, but are not limited to:

- Posting a bond or other security.
- Submitting to routine performance and financial audits.
- Employing or contracting a certified water system operator.
- Complying with financial viability requirements.
- Taking other measures needed to ensure on-going operations.

Where can I get more information?

If you wish to be considered as a receiver, or you want more information, contact [Jacqui Brown Miller](#) at the state Department of Health, 360-236-3112.