

# LAWS OF WASHINGTON

PASSED AT THE

Twenty-Second Regular Session

1931

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## CHAPTER 1.

[INITIATIVE TO THE LEGISLATURE NO. 1.]

### POWER AND WATER DISTRICTS.

AN ACT relating to and authorizing the establishment of public utility districts, and the consolidation thereof and annexation thereto; providing for the construction, purchase, condemnation and purchase, acquisition, maintenance, conducting, operation, development and regulation by such districts of certain kinds of public utilities; providing methods of payment therefor; and providing for the creation of local assessment districts by, and defining, prescribing and regulating the powers, duties and government of, such utility districts.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. The purpose of this act is to authorize the establishment of 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.

Purpose  
of act.

SEC. 2. Municipal corporations, to be known as public utility districts, are hereby authorized for the purposes of this act and may be established within the limits of the State of Washington, as provided herein.

Districts  
may be  
established.

Proposal to  
create  
submitted  
to vote.

Petition filed.

Withdrawal  
of signatures.

Auditor's  
certificate.

Notice of  
election.

SEC. 3. At any general election the board of county commissioners of any county in this state may, or on petition of ten (10%) per cent of the qualified electors of such county, based on the total vote cast in the last general county election, shall, by resolution, submit to the voters of such county the proposition of creating a public utility district which shall be coextensive with the limits of such county as now or hereafter established. Such petition shall be filed with the county auditor, who shall within fifteen days examine the signatures thereof and certify to the sufficiency or insufficiency thereof, and for such purpose the county auditor shall have access to all registration books in the possession of election officers within such county. If such petition be found to be insufficient, it shall be returned to the persons filing the same, who may amend or add names thereto for ten days, when the same shall be returned to the county auditor, who shall have an additional fifteen days to examine the same and attach his certificate thereto. No person having signed such petition shall be allowed to withdraw his name therefrom after the filing of the same with the county auditor. Whenever such petition shall be certified to as sufficient, the county auditor shall forthwith transmit the same, together with his certificate of sufficiency attached thereto, to the board of county commissioners, who shall thereupon immediately transmit such proposition to the election board of such county, and it shall be the duty of such county election board to submit such proposition to the voters at the next general election. The notice of the election shall state the boundaries of the proposed public utility district and the object of such election, and shall in other respects conform to the requirements of the general laws of the State of Washington, governing the time and manner of holding elections. In submitting the

said question to the voters for their approval or rejection, the proposition shall be expressed on said ballot substantially in the following terms :

Public Utility District No..... YES  Ballot title.

Public Utility District No..... NO

Any petition for the formation of a public utility district may describe a less area than the entire county in which the petition is filed, the boundaries of which shall follow the then existing precinct boundaries and not divide any voting precinct; and in the event that such a petition is filed the board of county commissioners shall fix a date for a hearing on such petition, and shall publish the petition, without the signatures thereto appended, for two weeks prior to the date of the hearing, together with a notice stating the time of the meeting when such petition will be heard. Such publication, and all other publications required by this act, shall be in a newspaper published in the proposed or established public utility district, or, if there be no such newspaper, then in a newspaper published in the county in which such district is situated, and of general circulation in such county. The hearing on such petition may be adjourned from time to time, not exceeding four weeks in all. If upon the final hearing the board of county commissioners shall find that any lands have been unjustly or improperly included within the proposed public utility district and will not be benefited by inclusion therein, the said board shall change and fix the boundary lines in such manner as it shall deem reasonable and just and conducive to the public welfare and convenience, and make and enter an order establishing and defining the boundary lines of the proposed public utility district: *Provided*, That no lands shall be included within the boundaries so fixed lying outside the

District area.

Hearing on petition.

Publications.

Final hearing.

Boundaries fixed.

boundaries described in the petition, except upon the written request of the owners of such lands. Thereafter the same procedure shall be followed as prescribed in this act for the formation of a public utility district including an entire county, except that the petition and election shall be confined solely to the lesser public utility district.

Election returns, canvass.

SEC. 4. Within five days after such election, the election board of the county shall canvass the returns, and if at such election a majority of the voters voting upon such proposition shall vote in favor of the formation of such district, the election board shall so declare in its canvass of the returns of such election, and such public utility district shall then be and become a municipal corporation of the State of Washington, and the name of such public utility district shall be Public Utility District No. .... of

District named.

..... County. The powers of the public utility district shall be exercised through a commission consisting of three members, one from each of the three county commissioner districts of the county in which the public utility district is located, when the public utility district is coextensive with the limits of such county. When the public utility district comprises only a portion of the county, three commissioner districts, numbered consecutively, having approximately equal population and boundaries, following ward and precinct lines, as far as practicable, shall be described in the petition for the formation of the public utility district, and one commissioner shall be elected from each of said commissioner districts. No person shall be eligible to hold the office of public utility district commissioner unless he is a qualified voter and a freeholder within such public utility district, and is and has been a resident for a period of three years, except as hereinafter provided, of the commissioner district from which he is elected.

Commission.

Districts numbered.

Commissioners, qualifications.

Public utility district commissioners shall hold office for the term of three (3) years and until their respective successors are elected and qualified, each term to commence on the fourth Tuesday in March in each year in Class A counties and counties of the first class, and in all other counties on the second Monday in January in each year, following the election thereto. At the same election at which the proposition is submitted to the voters as to whether a public utility district shall be formed, three (3) commissioners shall be elected to hold office, respectively, for the term of one, two and three years. All candidates shall be voted upon by the entire public utility district, and the candidate residing in commissioner district number one receiving the highest number of votes in the public utility district shall hold office for the term of three (3) years; and the candidate residing in commissioner district number two receiving the highest number of votes in the public utility district shall hold office for the term of two (2) years, and the candidate residing in commissioner district number three receiving the highest number of votes in the public utility district shall hold office for the term of one (1) year, each of said terms to date from the times specified in this section following the election, but also to include the period intervening between the election and the beginning of the regular terms specified in this section. All expenses of elections for the formation of such public utility districts shall be paid by the county holding such election, and such expenditure is hereby declared to be for a county purpose, and the money paid out for such purpose shall be repaid to such county by the public utility district, if formed. Nominations for public utility district commissioners shall be by petition signed by one hundred (100) qualified electors of the public utility district to be filed in the office of the county auditor

Commissioners, terms, elections, dates.

Commissioner districts.

Formation expenses.

Commissioners nominated.

not more than sixty (60) days, and not less than thirty (30) days prior to the day of such election: *Provided, however,* That in any public utility district having a population of less than four thousand, such nominating petition shall be signed by a number of qualified electors equaling ten (10) per cent or more of the qualified electors of the public utility district. A vacancy in the office of public utility district commissioner shall occur by death, resignation, removal, conviction of a felony, non-attendance at meetings of the public utility district commission for a period of sixty (60) days unless excused by the public utility district commission, by any statutory disqualification, or by any permanent disability preventing the proper discharge of his duty. In the event of a vacancy in said office such vacancy shall be filled at the next general election, the vacancy in the interim to be filled by appointment by the remaining commissioners. If there should be at the same time such number of vacancies that there are not in office a majority of the full number of commissioners fixed by law, a special election shall be called by the county election board upon the request of the remainder, or, that failing, by the county election board, such election to be held not more than forty (40) days after the occurring of such vacancies.

Com-  
missioner  
vacancies.

Vacancies  
filled.

Commission-  
ers, quorum.

A majority of the persons holding the office of public utility district commissioner at any time shall constitute a quorum of the commission for the transaction of business, and the concurrence of a majority of the persons holding such office at the time shall be necessary and shall be sufficient for the passage of any resolution, but no business shall be transacted unless there are in office at least a majority of the full number of commissioners fixed by law.

The boundaries of the commissioners districts shall not be changed oftener than once in four (4) years, and only when all members of the commission are present: *Provided*, That any proposed change therein must be made by resolution and notice of the time of a public hearing thereon shall be published for two (2) weeks prior thereto: *And Provided further* That upon a referendum petition signed by six per cent (6%) of the qualified voters of the public utility district being filed with the clerk, the commission shall submit such proposed change to the voters of the public utility district for their approval or rejection. The checking of said petition as to its sufficiency or insufficiency shall be governed by the provisions in this act relating thereto.

Boundaries  
changed.

Hearing.

Referendum.

SEC. 5. The term general election as used in this act shall be held and construed to mean biennial general elections at which state and county officers are elected, and also public utility district elections for the election of commissioners. Public utility district elections for the election of commissioners held in Class A counties and counties of the first class shall be held on the second Tuesday in March in each year, and in all other counties on the first Saturday in December in each year. The election board of the county shall give notice of all elections held under the provisions of this act for the time and in the manner and form provided by law for city, school district and port district elections. Whenever in the judgment of the election board of the county an emergency exists, and such board is requested so to do by a resolution of the public utility district commission, it may call a special election at any time in such public utility district, and at any such special election said board may combine, unite or divide precincts for the purpose of holding such special election, and every such special

Elections.

Notice.

Emergency.

election so called shall be conducted and notice thereof given in the manner provided by law.

Election board.

The chairman of the board of county commissioners, the county auditor and the prosecuting attorney of the county in which the election is held shall constitute an election board for all elections held under the provisions of this act; and it shall be the duty of such board to provide polling places for holding elections under this act, to appoint the election officers, to provide their compensation, to provide ballot boxes, and ballots or voting machines, poll books and tally sheets, and deliver them to the election officers at the polling places, to publish and post notices of calling such elections in the manner provided by law, and to apportion to the public utility district its share of the expense of holding such election.

Election officers.

The election officers appointed by the election board of the county shall conduct such elections and shall receive and deposit ballots cast thereat in a separate ballot box, and shall count said ballots and make returns thereof to the election board of the county, which board shall constitute a canvassing board for all elections held under the provisions of this act. The manner of conducting and voting at elections under this act, opening and closing of polls, keeping of poll lists, canvassing the votes, declaring the result, and certifying the returns, shall be the same as provided by the general election laws governing the election of state and county officers, except as otherwise provided in this act.

Conduct of elections.

Offices to be filled.

The public utility district commission shall certify to the election board a list of offices to be filled at any election to be held under the provisions of this act, and such commission, if it desires to submit to the voters of such public utility district any proposition for their approval or adoption, or rejection, at any election held under the provisions of this



act, shall require the secretary of such commission to certify the same to the election board at the time and in the manner and form now provided by law for certifying propositions to said board by the governing boards of cities, towns and port districts.

SEC. 6. All public utility districts organized under the provisions of this act shall have power:

Powers of districts.

(a) To make a survey of hydro-electric power, irrigation and domestic water supply resources within or without the district, and to compile comprehensive maps and plans showing the territory that can be most economically served by the various resources and utilities, the natural order in which they should be developed, and how they may be joined and co-ordinated to make a complete and systematic whole;

Hydro-electric, water supply, irrigation.

(b) To construct, condemn and purchase, purchase, acquire, lease, add to, maintain, operate, develop and regulate all lands, property, property rights, water, water rights, dams, ditches, flumes, aqueducts, pipes and pipe lines, water power, leases, easements, rights of way, franchises, plants, plant facilities and systems for generating electric energy by water power, steam or other methods, plant, plant facilities and systems for developing, conserving and distributing water for domestic use and irrigation, buildings, structures, poles and pole lines, and cables and conduits and any and all other facilities, and to exercise the right of eminent domain to effectuate the foregoing purposes or for the acquisition and damaging of the same or property of any kind appurtenant thereto, and for the purpose of acquiring the right to make physical connection with plants and plant facilities of any and all persons, corporations and municipalities, and such right of eminent domain shall be exercised and instituted pursuant to resolution of the commission and conducted in

Purchase, condemn, lease property.

Eminent domain.

Procedure.

the same manner and by the same procedure as is or may be provided by law for the exercise of the power of eminent domain by incorporated cities and towns of the State of Washington in the acquisition of like property and property rights. It shall be no defense to a condemnation proceeding hereunder that a portion of the electric current generated or sold by such public utility district will be applied to private purposes provided the principal uses intended are public; *Provided*, That no public utility owned by a city or town shall be condemned hereunder, and none shall be purchased without submission of the question to the voters of the utility district. In any condemnation proceeding under this act, the court shall submit to the jury the values placed upon such property by the county assessor or other taxing authority, for taxation purposes, and in respect to property, plants and facilities of persons and corporations using public highways for the furnishing of public service without franchises, shall consider in determining the value thereof the fact that such property, plants and facilities are subject to be removed from such highways by reason of being so operated without such franchises.

Condemnation submitted to vote.

Acquisition of water works and irrigation systems.

(c) To construct, purchase, condemn and purchase, acquire, add to, maintain, conduct and operate water works and irrigation plants and systems, within or without its limits, for the purpose of furnishing such public utility district, and the inhabitants thereof, and any other persons, including public and private corporations within or without its limits, with an ample supply of water for all uses and purposes, public and private, including water power, domestic use and irrigation; with full and exclusive authority to sell and regulate and control the use, distribution and price thereof.

Electric current.

(d) To purchase, within or without its limits, electric current for sale and distribution within or

without its limits, and to construct, condemn and purchase, purchase, acquire, add to, maintain, conduct and operate works, plants, transmission and distribution lines and facilities for generating electric current, operated either by water power, steam or other methods, within or without its limits, for the purpose of furnishing said public utility district, and the inhabitants thereof and any other person, including public and private corporations, within or without its limits, with electric current for all uses, with full and exclusive authority to sell and regulate and control the use, distribution, rates, service, charges and price thereof, free from the jurisdiction and control of the director of public works and division of public utilities, in all things, together with the right to purchase, handle, sell or lease motors, lamps, transformers and any and all other kinds of equipment and accessories of every nature and kind whatsoever necessary and convenient for the use, distribution and sale thereof; *Provided*, That the commission shall not supply water to a privately owned utility for the production of electric energy, and may supply, directly or indirectly, to privately owned public utilities which sell electric energy or water to the public, any of the surplus electric energy or water under its control, and contracts therefor shall not extend over a longer period than three (3) years: *Provided*, That it must at all times first make adequate provision for the needs of the district, both actual and prospective.

(e) And for the purposes aforesaid, it shall be lawful for any public utility district so organized to take, condemn and purchase, purchase, and acquire any and all public and private property, franchises and property rights, including state, county and school lands, and property and littoral and water rights, for any of the purposes aforesaid, and for railroads, tunnels, pipe lines, aqueducts, transmis-

Rates.

Water supplied to privately owned utility.

Condemnation of public and private property.

Purchase and condemnation of water.

Build dams.

Occupation of beds and shores of waters.

sion lines, and any and all other facilities necessary or convenient, and, in connection with the construction, maintenance or operation, of any such utility or utilities, to acquire by purchase or condemnation and purchase the right to divert, take, retain and impound and use water from or in any lake or watercourse, regardless of whether such lake or watercourse or the water therein be public or private, navigable or non-navigable, or held, owned or used by the state, or any subdivision thereof, or by any person or corporation for any public or private use, proprietary or governmental, or any underflowing water within the state; and such public utility district is hereby authorized and empowered to erect and build, within or without its limits, dams or other works across any river or watercourse, or across or at the outlet of any lake, up to and above high water mark; and, for the purpose of constructing or laying aqueducts or pipe lines, dams or waterworks or other necessary structures in storing, retaining and distributing water as above provided, or for any of the purposes provided for by this act, such public utility district shall have the right to occupy and use the beds and shores up to the high water mark of any such lake, river or watercourse and to acquire by purchase or by condemnation and purchase, or otherwise, any water, water rights, easements or privileges named in this act or necessary for any of said purposes, and any such public utility district shall have the right to acquire by purchase or condemnation and purchase, or otherwise, any lands, property or privileges necessary to be had to protect the water supply of such public utility district from pollution; *Provided*, That should private property be necessary for any such purposes, or for storing water above high water mark, such public utility district may condemn and purchase or purchase and acquire such private prop-

erty. Such public utility district shall have power to build and maintain inter-tie lines connecting its power plant and distribution system with the power plant and distribution system owned by any other public utility district, or municipal corporation, or to connect with the power plants and distribution systems owned by any municipal corporation in the district, and from any such inter-tie line to sell electric energy to any individual, or public utility district, or any city or town, or other corporations, public or private, and, by means of transmission or pole lines, to conduct electric energy from the place of production to the point of distribution, and to construct and lay said aqueducts, pipe or pole lines, and transmission lines along and upon public highways, roads and streets, and to condemn and purchase, purchase or acquire, lands, franchises and rights of way necessary for the same.

(f) To contract indebtedness or borrow money for corporate purposes on the credit of the corporation or the revenues of the public utilities thereof, and to issue general obligation or utility bonds therefor, bearing interest at a rate not exceeding six per cent per annum, payable semi-annually, said bonds not to be sold for less than par and accrued interest; to purchase with surplus funds, local utility district bonds of districts created by the commission and sell the same giving preference to residents of the district, and to create a revolving fund to insure the prompt payment of all local utility district bonds.

(g) To raise revenue by the levy of an annual tax on all taxable property within such public utility district not exceeding two mills in any one year, exclusive of interest and redemption for general obligation bonds. The commission shall prepare a proposed budget of the contemplated financial transactions for the ensuing year and file the same in the

Indebtedness.

Bonds.

Revenue.

Tax levy.

Budget.

records of the commission on or before the first Monday in September. Notice of the filing of said proposed budget and the date and place of hearing on the same shall be published for at least two consecutive weeks in a newspaper printed and of general circulation in said county. On the first Monday in October, the commission shall hold a public hearing on said proposed budget at which any taxpayer may appear and be heard against the whole or any part of the proposed budget. Upon the conclusion of said hearing, the commission shall, by resolution, adopt the budget as finally determined, and fix the final amount of expenditures for the ensuing year. Taxes levied by the commission shall be certified to and collected by the proper county officer of the county in which such public utility district is located in the same manner as is or may be provided by law for the certification and collection of port district taxes. The commission is authorized, prior to the receipt of taxes raised by levy, to borrow money or issue warrants of the district in anticipation of the revenue to be derived by such district from the levy of taxes for the purpose of such district, and such warrants shall be redeemed from the first money available from such taxes when collected, and such warrants shall not exceed the anticipated revenues of one year, and shall bear interest at a rate of not to exceed six per cent per annum.

(h) To enter into any contract with the United States Government, or any state, municipality or other utility district, or any department of those governing bodies, for carrying out any of the powers authorized by this act.

(i) To acquire by gift, devise, bequest, lease or purchase, real and personal property necessary or convenient for the purposes of the district or any local district therein.

Notice of  
filing.

Public  
hearing.

Adoption.

Money  
borrowed.  
Warrants  
issued.

Contracts  
with U. S.,  
state, mu-  
nicipalities.

Acquisition  
of property.

(j) To make contracts, employ engineers, attorneys and other technical or professional assistance; to print and publish information or literature and to do all other things necessary to carry out the provisions of this act.

Contracts.  
Employees.

The public utility district commission shall appoint a manager, who shall be appointed for an indefinite time and be removable at the will of the commission. Appointments and removals shall be by resolution, introduced at a regular meeting and adopted at a subsequent regular meeting by a majority vote. He shall receive such salary as the commission shall fix by resolution.

Manager.

Salary.

The manager shall be the chief administrative officer of the public utility district, and shall have control of administrative functions of the district, and shall be responsible to the commission for the efficient administration of all the affairs of the district placed in his charge. He shall be an experienced executive with administrative ability. In case of the absence or temporary disability of the manager, he shall, with the approval of the president of the commission, designate some competent person as acting manager.

Duties.

Qualifications.

The manager shall be entitled to attend all meetings of the commission and its committees, and to take part in the discussion of any matters pertaining to the duties of his department, but shall have no vote.

The public utility district manager shall have power, and it shall be his duty:

Powers

To carry out the orders of the commission, and to see that all the laws of the state pertaining to matters within the functions of his department are duly enforced.

To keep the commission fully advised as to the financial condition and needs of the district. To prepare, each year, an estimate for the ensuing fiscal

year of the probable expenses of his department, and to recommend to the commission what development work should be undertaken, and what extensions and additions, if any, should be made, during the ensuing fiscal year, with an estimate of the costs of such development work, extensions and additions. To certify to the commission all bills, allowances and payrolls, including claims due contractors of public works. To recommend to the commission salaries of the employes of his office, and a scale of salaries or wages to be paid for the different classes of service required by the district. To hire and discharge clerks, laborers and other employes under his direction. To perform such other duties as may be imposed upon him by resolution of the commission. It shall be unlawful for him to make any contribution of money in aid of or in opposition to the election of any candidate for public utility commissioner or to advocate or oppose any such election.

Hire clerks,  
laborers,  
employes.

(k) To sue and be sued in any court of competent jurisdiction; *Provided*, That all suits against the public utility district shall be brought in the county in which the public utility district is located. No suit for damages shall be maintained against such public utility district except on the basis of a claim therefor filed with the commission of such district complying in all respects with the terms and requirements for claims for damages filed pursuant to general law against cities of the second class.

Suits by and  
against.

(l) By resolution to establish and define the boundaries of local assessment districts to be known as Local Utility District No. — for the distribution, under the general supervision and control of the commission, of water for domestic use and (or) irrigation and (or) electric energy, and in like manner to provide for the purchasing, or otherwise acquiring, or constructing and equipping distribution systems for said purposes and for extensions and

Local as-  
sessment  
districts.



betterments thereof, and to levy and collect in accordance with the special benefits conferred thereon, special assessments and re-assessments on property specially benefited thereby, for paying the cost and expense of the same, or any portions thereof, as herein provided, and to issue local improvement bonds and (or) warrants to be repaid wholly or in part by collection of local improvement assessments. Special assessments.

The commission shall, by resolution, establish the method of procedure in all matters relating to local utility districts. Any public utility district may determine by resolution what work shall be done or improvements made at the expense, in whole or in part, of the property specially benefited thereby; and to adopt and provide the manner, machinery and proceedings in any way relating to the making and collecting assessments therefor in pursuance of this act. Except as herein otherwise provided, or as may hereafter be set forth by resolution, all matters and proceedings relating to the local utility district, the levying and collection of assessments, the issuance and redemption of local improvement warrants and bonds, and the enforcement of local assessment liens hereunder, shall be governed, as nearly as may be, by the laws relating to local improvements for cities of the first class: *Provided*, That no protest against a local utility district improvement shall be received by the commission after twelve o'clock noon of the day set for hearing. Procedure.

Any improvement authorized by this act may be ordered only by resolution of the commission either upon petition or resolution therefor. Whenever a petition, signed by ten per cent of the owners of land in the district to be therein described, shall be filed with the commission, asking that the plan or improvement therein set forth be adopted and ordered, and defining the boundaries of a local improvement district to be assessed in whole or in part to pay the Protests.

Improvement ordered.

Petition.

Boundaries.

Hearing,  
notice.

Boundaries  
changed.

Eminent  
domain  
proceedings.

cost thereof, it shall be the duty of the commission to fix the date of hearing on such petition, and give not less than two (2) weeks notice thereof by publication. The commission may, in its discretion, deny such petition or order the improvement unless a majority of the owners of lands in said district shall file prior to 12:00 o'clock noon of the day of said hearing with secretary thereof a petition protesting against said improvement; and if the commission shall order the improvement, then it may alter the boundaries of such proposed district and prepare and adopt detail plans of any such local improvement, declare the estimated cost thereof, what proportion of such cost shall be borne by such local improvement district, and what proportion of the cost, if any, shall be borne by the entire public utility district. Whenever such a petition signed by a majority of the landowners in such a proposed local improvement district shall be filed with the commission, asking that the improvement therein described be ordered, the commission shall forthwith fix a date for hearing on said petition, after which the commission must, by resolution, order such improvement, and may alter the boundaries of such proposed district, prepare and adopt such improvement, prepare and adopt detail plans thereof, declare the estimated cost thereof, what proportion of such cost shall be borne by such proposed local improvement district, and what proportion of the cost, if any, shall be borne by the entire public utility district, and provide the general funds thereof to be applied thereto, if any, acquire all lands and other properties therefor, pay all damages caused thereby, and commence in the name of the public utility district such eminent domain proceedings and supplemental assessments or re-assessment proceedings to pay all eminent domain awards as may be necessary to entitle said district to proceed with such work,

and shall thereafter proceed with such work, and shall make and file with the county treasurer its roll levying special assessments in the amount to be paid by special assessment against the property situated within such local improvement district in proportion to the special benefits to be derived by the property in such local improvement district from such improvement. Before the approval of such roll, a notice shall be published ten (10) days stating that such roll is on file and open to inspection in the office of secretary of the district, and fixing a time not less than fifteen (15) nor more than thirty (30) days from the date of the first publication of such notice, within which protests must be filed with secretary of said district against any assessments shown thereon, and fixing a time when a hearing shall be held by said commission on said protests. After such hearing the commission may alter any and all assessments shown on such roll and may then, by resolution, approve the same, but if any assessment be raised, a new notice, similar to such first notice, shall be given, and a hearing had thereon, after which final approval of such roll may be made by the commission. Any person feeling aggrieved by such assessments shall perfect an appeal to the Superior Court of such county within ten (10) days after such approval in the manner now provided by law for appeals from assessments levied by cities of the first class in this state. Engineering, office and other expenses necessary or incident to said improvement shall be borne by the public utility district: *Provided*, That where any municipal corporation included within such public utility district already owns or operates a utility of like character for which such assessments are levied hereunder, then all such engineering and other expenses mentioned above shall be borne by the local assessment district.

Assessment roll.

Notice published.

Protests.

Hearing.

Approval.

Court appeals.

Engineering expenses.

Payments  
for im-  
provements.

Whenever any improvement shall be ordered hereunder, payment for which shall be made in part from assessments against property specially benefited, not more than fifty per cent (50%) of the cost thereof shall ever be borne by the entire public utility district, nor shall any sum be contributed by it to any improvement acquired or constructed with or by any other body, exceed such amount, unless a majority of the electors of such district shall consent to or ratify the making of such expenditure.

Sale of  
plants.

(m) It is, and shall be lawful for any public utility district organized hereunder to sell and convey all the works, plants, systems, utilities and properties authorized by this act and owned by it after proceedings had as required by sections 9512, 9513 and 9514 of Remington's Compiled Statutes of Washington: *Provided*, That three-fifths ( $\frac{3}{5}$ ) of the voters voting for such sale, in lieu of a majority shall be necessary. Public utility districts shall be held to be municipal corporations within the meaning of said sections and the commission of such public utility district shall be held to be the legislative body within the meaning of said sections, and the president and secretary of such district shall have the same powers and perform the same duties as the mayor and city clerk referred to in said sections, and the resolutions of the public utility districts shall be held to mean ordinance within the meaning of said sections.

General  
resolutions  
of commis-  
sion.

(n) The commission of each public utility district may adopt general resolutions to carry out the purposes, objects and provisions of this act.

Acquisition  
of property.

SEC. 7. Whenever the commission shall deem it advisable that the public utility district purchase, purchase and condemn, acquire, or construct any such public utility, or make any additions or betterments thereto, or extensions thereof, the commission shall provide therefor by resolution, which shall

specify and adopt the system or plan proposed, and declare the estimated cost thereof, as near as may be, and specify whether general or utility indebtedness is to be incurred, the amount of such indebtedness, the amount of interest and the time in which all general bonds (if any) shall be paid, not to exceed thirty years. In the event the proposed general indebtedness to be incurred will bring the indebtedness of the public utility district to an amount exceeding one and one-half per cent (1½%) of the taxable property of the public utility district, the proposition of incurring such indebtedness and the proposed plan or system shall be submitted to the qualified electors of said public utility district for their assent at the next general election held in such public utility district.

Plan.

Bonds.

Indebtedness.

Election.

Whenever the commission (or a majority of the qualified voters of such public utility district, voting at said election, when it is necessary to submit the same to said voters) shall have adopted a system or plan for any such public utility, as aforesaid, and shall have authorized indebtedness therefor by a three-fifths vote of the qualified voters of such district, voting at said election, general or public utility bonds may be used as hereinafter provided. Said general bonds shall be serial in form and maturity and numbered from one upwards consecutively. The various annual maturities shall commence not later than the tenth year after the date of issue of such bonds. The resolution authorizing the issuance of the bonds shall fix the rate of interest the bonds shall bear, said interest not to exceed six per cent (6%), and the place and date of the payment of both principal and interest. The bonds shall be signed by the president of the commission, attested by the secretary of the commission, and the seal of the public utility district shall be affixed to each bond but not to the coupon; *Provided, however,* That said

Bonds issued.

Form.

Interest rate.

Execution.

coupon, in lieu of being so signed, may have printed thereon a facsimile of the signature of such officers. The principal and interest of such general bonds shall be paid from the revenue of such public utility district after deducting costs of maintenance, operation, and expenses of the public utility district, and any deficit in the payment of principal and interest of said general bonds shall be paid by levying each year a tax upon the taxable property within said district sufficient to pay said interest and principal of said bonds, which tax shall be due and collectible as any other tax. Said bonds shall be sold in such manner as the commission shall deem for the best interest of the district. All bonds and warrants issued under the authority of this act shall be legal securities, which may be used by any bank or trust company for deposit with the state treasurer, or any county or city treasurer, as security for deposits, in lieu of a surety bond, under any law relating to deposits of public moneys. When the commission shall not desire to incur a general indebtedness in the purchase, condemnation and purchase, acquisition, or construction of any such public utility, or addition or betterment thereto, or extension thereof, it shall have the power to create a special fund or funds for the sole purpose of defraying the cost of such public utility, or addition or betterment thereto, or extension thereof, into which special fund or funds it may obligate and bind the district to set aside and pay a fixed proportion of the gross revenues of such public utility, or any fixed amount out of, and not exceeding a fixed proportion of, such revenues, or a fixed amount without regard to any fixed proportion, and to issue and sell bonds or warrants bearing interest not exceeding six per cent (6%) per annum, payable semi-annually, executed in such manner, and payable at such times and places as the commission shall determine, but such bonds or war-

Paid.

Sale.

Special  
funds.

rants and the interest thereon, shall be payable only out of such special fund or funds. In creating any such special fund or funds, the commission shall have due regard to the cost of operation and maintenance of the plant or system as constructed or added to, and to any proportion or part of the revenues previously pledged as a fund for the payment of bonds or warrants, and shall not set aside into such special fund or funds a greater amount or proportion of the revenues and proceeds than, in its judgment, will be available over and above such cost of maintenance and operation and the amount or proportion, if any, of the revenues so previously pledged. Any such bonds or warrants, and interest thereon, issued against any such fund, as herein provided, shall be a valid claim of the holder thereof only as against the said special fund and its fixed proportion or amount of the revenue pledged to such fund, and shall not constitute an indebtedness of such district within the meaning of the constitutional provisions and limitations. Each such bond or warrant shall state on its face that it is payable from a special fund, naming such fund and the resolution creating it. Said bonds and warrants shall be sold in such manner as the commission shall deem for the best interests of the district, and the commission may provide in any contract for the construction and acquisition of a proposed improvement or utility that payment therefor shall be made only in such bonds or warrants at the par value thereof. In all other respects, the issuance of such utility bonds or warrants and payment therefor shall be governed by the public utility laws for cities and towns.

Bond or  
warrant pay-  
able from  
special fund.

SEC. 8. The commissioners shall serve without compensation. No resolution shall be adopted without a majority vote of the whole commission. The commission shall organize by the election of its own members of a president and secretary, shall by reso-

Commission-  
ers, no pay.

Adoption of  
resolutions.

Organize.

Record of  
proceedings.

lution adopt rules governing the transaction of its business and shall adopt an official seal. All proceedings of the commission shall be by motion or resolution recorded in a book or books kept for such purpose, which shall be public records. The county treasurer of the county in which such district is situated shall be the treasurer of the district, and all funds of the district shall be paid to him as such treasurer and shall only be disbursed by him on warrants drawn and signed by an auditor to be appointed by the commission, upon order of or vouchers approved by the commission. The commission shall have authority to create and fill such positions and fix salaries and bonds thereof as it may by resolution provide.

Contracts  
for work  
and material.

Notice  
published.

Contents  
of notice.

Bids.

All materials purchased and work ordered, the estimated cost of which is in excess of five thousand dollars (\$5,000.00) shall be by contract. Before awarding any such contract, the commission shall cause to be published a notice at least thirty (30) days before the letting of said contract, inviting sealed proposals for such work, plans and specifications which must at the time of the publication of such notice be on file at the office of the public utility district, subject to public inspection: *Provided, however,* That the commission may at the same time, and as part of the same notice, invite tenders for said work or materials upon plans and specifications to be submitted by bidders. Such notice shall state generally the work to be done, and shall call for proposals for doing the same, to be sealed and filed with the commission on or before the day and hour named therein. Each bid shall be accompanied by a certified check, payable to the order of the commission, for a sum not less than five per cent (5%) of the amount of the bid, and no bid shall be considered unless accompanied by such check. At the time and place named, such bids shall be publicly



opened and read, and the commission shall proceed to canvass the bids, and may let such contract to the lowest responsible bidder upon plans and specifications on file, or to the best bidder submitting his own plans and specifications: *Provided, however,* That no contract shall be let in excess of the estimated cost of said materials or work, or if, in the opinion of the commission, all bids are unsatisfactory, they may reject all of them and re-advertise, and in such case all checks shall be returned to the bidders; but if such contract be let, then and in such case, all checks shall be returned to the bidders, except that of the successful bidder, which shall be retained until a contract shall be entered into for the purchase of such materials for doing such work, and a bond to perform such work furnished, with sureties satisfactory to the commission, in an amount to be fixed by the commission, not less than twenty-five (25%) per cent of contract price in any case, between the bidder and commission, in accordance with the bid. If such bidder fails to enter into said contract in accordance with said bid and furnish such bond within ten (10) days from the date at which he is notified that he is the successful bidder, the said check and the amount thereof shall be forfeited to the public utility district.

Contract awards.

Rejection of bids.

Forfeiture of checks.

Every contractor and sub-contractor performing any work for said public utility districts or local utility districts within said public utility district shall pay or cause to be paid to its employes on such work or under such contract or sub-contract not less than the minimum scale fixed by the resolution of the commission prior to the notice and call for bids on such work. The commission, in fixing such minimum scale of wages shall fix the same as nearly as possible to the current prevailing and going wages within the district for work of like character.

Contractors.

Wage scale.

SEC. 9. The county treasurer of the county in which is located any public utility district shall be ex-officio treasurer of any public utility district in such county, and he shall create a fund for any public utility district to be known as public utility district fund, into which shall be paid all money received by him from the collection of taxes in behalf of such public utility district, and he shall also maintain such other special funds as may be created by the public utility commission, into which shall be placed such moneys as the public utility commission may by its resolution direct.

County  
treasurer.

Public  
utility dis-  
trict fund.

All such public utility district funds shall be deposited with the county depositories under the same restrictions, contracts and security as is provided by statute for county depositories, and all interest collected on such public utility funds shall belong to such public utility district and be deposited to its credit in the proper public utility district funds.

Depositories.

SEC. 10. Two or more contiguous public utility districts may become consolidated into one public utility district after proceedings had as required by sections 8909, 8910 and 8911, of Remington's Compiled Statutes of Washington, *Provided*, That a ten (10) per cent petition shall be sufficient; and public utility districts shall be held to be municipal corporations within the meaning of said sections, and the commission shall be held to be the legislative body of the public utility district as the term legislative body is used in said sections: *Provided*, That any such consolidation shall in no wise affect or impair the title to any property owned or held by any such public utility district, or in trust therefor, or any debts, demands, liabilities or obligations existing in favor of or against either of the districts so consolidated, or any proceeding then pending: *Provided, further*, That no property within either of the former public utility districts shall ever be taxed

Consolida-  
tion.

Property  
taxed.

to pay any of the indebtedness of either of the other such former districts.

The boundaries of any public utility district may be enlarged and new territory included therein, after proceedings had as required by section 8894 of Remington's Compiled Statutes of Washington: *Provided*, That a ten per cent (10%) petition shall be sufficient; and public utility districts shall be held to be municipal corporations within the meaning of said section, and the commission shall be held to be the legislative body of the public utility district: *Provided*, That no property within such territory so annexed shall ever be taxed to pay any portion of any indebtedness of such public utility district contracted prior to or existing at the date of such annexation.

Boundaries enlarged.

In all cases wherein public utility districts of less area than an entire county desire to be consolidated with a public utility district including an entire county, and in all cases wherein it is desired to enlarge a public utility district including an entire county, by annexing a lesser area than an entire county, no election shall be required to be held in the district including an entire county.

District of less area than entire county.

SEC. 11. Adjudication of invalidity of any section, clause or part of a section of this act shall not impair or otherwise [otherwise] affect the validity of the act as a whole or any other part thereof.

Invalidity of part not to affect balance.

The rule of strict construction shall have no application to this act, but the same shall be liberally construed, in order to carry out the purposes and objects for which this act is intended.

Rule of construction.

When this act comes in conflict with any provision, limitation or restriction in any other law, this act shall govern and control.

Conflict with other law.

SEC. 12. This act shall not be deemed or construed to repeal or affect any existing act, or any part thereof, relating to the construction, operation

Not deemed as repeal of other acts.

and maintenance of public utilities by irrigation or water districts or other municipal corporations, but shall be supplemental thereto and concurrent therewith. No public utility district created hereunder shall include therein any municipal corporation, or any part thereof, where such municipal corporation already owns or operates all the utilities herein authorized; *Provided*, that in case it does not own or operate all such utilities it may be included within such public utility district for the purpose of establishing or operating therein such utilities as it does not own or operate: *Provided, further*, That no property situated within any irrigation or water districts or other municipal corporations shall ever be taxed or assessed to pay for any utility, or part thereof, of like character to any utility, owned or operated by such irrigation or water districts or other municipal corporations.

Property  
excluded.

Property in  
irrigation  
districts.

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