

CHAPTER 103.

[H. B. 377.]

SEWER DISTRICTS.

AN ACT relating to sewer districts; amending section 10, chapter 210, Laws of 1941, as last amended by section 3, chapter 250, Laws of 1953, and RCW 56.08.010; amending section 11, chapter 210, Laws of 1941, as last amended by section 4, chapter 250, Laws of 1953, and RCW 56.08.020; amending section 48, chapter 210, Laws of 1941, as amended by section 8, chapter 250, Laws of 1953, and RCW 56.08.060; amending section 9, chapter 210, Laws of 1941, as last amended by section 1, chapter 373, Laws of 1955, and RCW 56.12.010; amending section 16, chapter 210, Laws of 1941, as last amended by section 11, chapter 250, Laws of 1953, and RCW 56.16.020; amending section 17, chapter 210, Laws of 1941, as last amended by section 12, chapter 250, Laws of 1953, and RCW 56.16.030; amending section 19, chapter 210, Laws of 1941 and RCW 56.16.060; amending section 20, chapter 210, Laws of 1941 and RCW 56.16.070; amending section 22, chapter 210, Laws of 1941 and RCW 56.16.090; amending section 16, chapter 250, Laws of 1953 and RCW 56.16.115; amending section 46, chapter 210, Laws of 1941 and RCW 56.16.140; adding five new sections to chapter 56.16 RCW; adding two new sections to Title 56 RCW; and declaring an emergency.

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

RCW 56.08.010 amended.

SECTION 1. Section 10, chapter 210, Laws of 1941, as last amended by section 3, chapter 250, Laws of 1953, and RCW 56.08.010 are each amended to read as follows:

Sewer districts powers and rights.

A sewer district may acquire by purchase or by condemnation and purchase all lands, property rights, water, and water rights, both within and without the district, necessary for its purposes. A sewer district may lease real or personal property necessary for its purposes for a term of years for which such leased property may reasonably be needed where in the opinion of the board of sewer commissioners such property may not be needed permanently or substantial savings to the district

can be effected thereby. The right of eminent domain shall be exercised in the same manner and by the same procedure as provided for cities of the third class, insofar as consistent with the provisions of this title, except that all assessment or reassessment rolls required to be filed by eminent domain commissioners or commissioners appointed by the court shall be prepared and filed by the district, and the duties devolving upon the city treasurer shall be imposed upon the county treasurer for the purposes hereof; it may construct, condemn and purchase, add to, maintain, and operate systems of sewers for the purpose of furnishing the district and inhabitants thereof with an adequate system of sewers for all uses and purposes, public and private, including the drainage of public highways, streets, and roads with full authority to regulate the use and operation thereof and the service rates to be charged. For such purposes a district may conduct sewage throughout the district and throughout other political subdivisions within the district, and construct and lay sewer pipe along and upon public highways, roads, and streets, within and without the district, and condemn and purchase or acquire land and rights of way necessary for such sewer pipe. A district may erect sewage treatment plants, within or without the district, and may acquire by purchase or condemnation, properties or privileges necessary to be had to protect any lakes, rivers, or watercourses and also other areas of land from pollution, from its sewers or its sewage treatment plant. A district may charge property owners seeking to connect to the district system of sewers, as a condition to granting the right to so connect, in addition to the cost of such connection, such reasonable connection charge as the board of commissioners shall determine to be proper in order that such property owners shall bear their equitable share of the cost of such system. A

Eminent domain.

Connection charge.

Connection
mandatory—
Lien.

district may compel all property owners within the sewer district located within an area served by the district system of sewers to connect their private drain and sewer systems with the district system under such penalty as the sewer commissioners shall prescribe by resolution. The district may for such purpose enter upon private property and connect the private drains or sewers with the district system and the cost thereof shall be charged against the property owner and shall be a lien upon property served.

RCW 56.08.020
amended.

SEC. 2. Section 11, chapter 210, Laws of 1941, as last amended by section 4, chapter 250, Laws of 1953, and RCW 56.08.020 are each amended to read as follows:

Comprehen-
sive plan.

The sewer commissioners before ordering any improvements hereunder or submitting to vote any proposition for incurring any indebtedness shall adopt a general comprehensive plan for a system of sewers for the district. They shall investigate all portions and sections of the district and select a general plan for a system of sewers for the district suitable and adequate for present and reasonably foreseeable future needs thereof. The general comprehensive plan shall provide for treatment plants and other methods for the disposal of sewage and industrial and other liquid wastes now produced or which may reasonably be expected to be produced within the district and shall, for such portions of the district as may then reasonably be served, provide for the acquisition or construction and installation of laterals, trunk sewers, intercepting sewers, syphons, pumping stations, or other sewage collection facilities. The comprehensive plan shall provide the method of distributing the cost and expense of the sewer system provided therein against the district and against utility local improvement districts within the district, including any utility local

Provisions.

improvement district lying wholly or partially within any other political subdivision included in the district; and provide whether the whole or some part of the cost and expenses shall be paid from sewer revenue bonds. The commissioners may employ such engineering and legal services as they deem necessary in carrying out the purposes hereof. The comprehensive plan shall be adopted by resolution and submitted to an engineer designated by the county commissioners and to the director of health, and must be approved in writing by the engineer and director of health.

Approval.

If the district includes portions or all of one or more cities or towns, the comprehensive plan shall be submitted also to, and approved by resolution of, the legislative authority of cities and towns before becoming effective. This section and RCW 56.08.030, 56.08.040, 56.08.050, 56.16.010, and 56.16.020 shall not apply to reorganized districts, except as specifically referred to in this section.

SEC. 3. Section 48, chapter 210, Laws of 1941, as amended by section 8, chapter 250, Laws of 1953, and RCW 56.08.060 are each amended to read as follows:

RCW 56.08.060 amended.

A sewer district may enter into contracts with any county, city, town, sewer district, water district, or any other municipal corporation, or with any private person, firm or corporation, for the acquisition, ownership, use and operation of any property, facilities, or services, within or without the sewer district and necessary or desirable to carry out the purposes of the sewer district, and a sewer district may provide sewer service to property owners outside the limits of the sewer district.

Contracts for joint use—
Service outside district.

SEC. 4. Section 9, chapter 210, Laws of 1941, as last amended by section 1, chapter 373, Laws of 1955, and RCW 56.12.010 are each amended to read as follows:

RCW 56.12.010 amended.

Board of
commis-
sioners.

The governing body of a sewer district shall be a board of commissioners consisting of three members. The commissioners shall annually elect one of their number as president and another as secretary of the board.

Officers.

Compensation.

A district may provide by resolution for the payment of compensation to each of its commissioners at a rate not exceeding twenty-five dollars for each day or major part thereof devoted to the business of the district: *Provided*, That the per diem for each commissioner shall not exceed six hundred dollars per year. In addition, the secretary may be paid a reasonable sum for his services as secretary and for bookkeeping work and keeping the records of the district. No commissioner shall be employed full time by the district.

Rules.

The board shall by resolution adopt rules governing the transaction of its business and shall adopt an official seal. All proceedings shall be by resolution recorded in a book kept for that purpose, which shall be a public record.

RCW 56.16.020
amended.

SEC. 5. Section 16, chapter 210, Laws of 1941, as last amended by section 11, chapter 250, Laws of 1953, and RCW 56.16.020 are each amended to read as follows:

Finances—
Revenue
bonds.

At any general or special election, a proposition that the district issue revenue bonds for the construction costs, interest during the period of construction and six months thereafter, working capital, or other costs of any part or all of the comprehensive plan may be submitted. The amount of the revenue bonds to be issued shall be included in the proposition submitted. The proposition shall be adopted by a majority of the voters of the district voting thereon. When the proposition has been adopted, the commissioners may forthwith carry out the general plan to the extent specified therein.

SEC. 6. Section 17, chapter 210, Laws of 1941, as last amended by section 12, chapter 250, Laws of 1953, and RCW 56.16.030 are each amended to read as follows:

RCW 56.16.030 amended.

In the same manner as herein provided for the adoption of the general comprehensive plan, and after the adoption of the general comprehensive plan, a plan providing for additions and betterments to the general comprehensive plan, or reorganized district may be adopted. Without limiting its generality "additions and betterments" shall include any necessary change in, amendment of, or addition to the comprehensive plan. The sewer district may incur a general indebtedness payable from annual tax levies to be made in excess of the forty mill tax limitation for the construction of the additions and betterments in the same way the general indebtedness may be incurred for the construction of the general comprehensive plan. Upon ratification by the voters of the entire district, of the proposition to incur such indebtedness, the additions and betterments may be carried out by the sewer commissioners to the extent specified in the proposition to incur such general indebtedness. The sewer district may issue revenue bonds to pay for the construction of the additions and betterments by resolution of the board of sewer commissioners without submitting a proposition therefor to the voters.

Finances—
Additions and
betterments.

SEC. 7. There is added to chapter 210, Laws of 1941 and to chapter 56.16 RCW a new section to read as follows:

New section.

Whenever a sewer district shall have adopted a general comprehensive plan, and bonds to defray the cost thereof shall have been authorized by the electors of the district, and if before completion of the improvements the board of commissioners shall by resolution find that the authorized bonds are not sufficient to defray the cost of such improvements

Additional
revenue bonds
authorized.

due to the increase of costs of construction subsequent to the adoption of said plan, the board of commissioners may, by resolution, without submitting the matter to the voters of the district, authorize the issuance and sale of additional sewer revenue bonds for such purpose in excess of those previously authorized: *Provided*, That in no event shall the principal amount of such additional sewer revenue bonds exceed twenty percent of such previously authorized indebtedness.

RCW 56.16.060
amended.

SEC. 8. Section 19, chapter 210, Laws of 1941 and RCW 56.16.060 are each amended to read as follows:

Sewer revenue
bonds.

When sewer revenue bonds are issued for authorized purposes, said bonds shall be either registered as to principal only or shall be bearer bonds; shall be in such denominations, shall be numbered, shall bear such date, shall be payable at such time or times up to a maximum period of not to exceed thirty years and at such place or places one of which must be the office of the treasurer of the county in which the district is located, as determined by the board of commissioners of the district; shall bear interest payable semiannually and evidenced to maturity by coupons attached to said bonds bearing a coupon interest rate not to exceed six percent per annum; shall be executed by the president of the board of commissioners and attested by the secretary thereof and have the seal of the district impressed thereon; and may have facsimile signatures of the president and secretary imprinted on the interest coupons in lieu of original signatures.

RCW 56.16.070
amended.

SEC. 9. Section 20, chapter 210, Laws of 1941 and RCW 56.16.070 are each amended to read as follows:

Special fund
to pay
revenue bonds.

The sewer commissioners shall have power and are required to create a special fund, or funds, for the sole purpose of paying the interest and principal of sewer revenue bonds, as herein provided into which special fund or funds the said sewer commis-

sioners shall obligate and bind the sewer district to set aside and pay a fixed proportion of the gross revenues of the system of sewers, or any fixed amount out of and not exceeding a fixed proportion of such revenues, or a fixed amount or amounts without regard to any fixed proportion, and such bonds and the interest thereof shall be payable only out of such special fund or funds, and shall be a lien and charge against all revenues of the district and payments received from any utility local improvement district or districts pledged to secure such bonds, subject only to operating and maintenance expenses.

SEC. 10. There is added to chapter 210, Laws of 1941 and to chapter 56.16 RCW a new section to read as follows: New section.

The board of commissioners may make such covenants as it may deem necessary to secure and guarantee the payment of the principal of and interest on sewer revenue bonds of the district, including but not being limited to covenants for the establishment and maintenance of adequate reserves to secure or guarantee the payment of such principal and interest; the protection and disposition of the proceeds of sale of such bonds; the use and disposition of the gross revenues of the sewer system of the district and any additions or betterments thereto or extensions thereof; the use and disposition of any utility local improvement district assessments; the creation and maintenance of funds for renewals and replacements of the system; the establishment and maintenance of rates and charges adequate to pay principal and interest of such bonds and to maintain adequate coverage over debt service; the maintenance, operation and management of the system and the accounting, insuring and auditing of the business in connection therewith; the terms upon which such bonds or any of them may be Covenants to secure payment of revenue bonds.

redeemed at the election of the district; limitations upon the right of the district to dispose of its system or any part thereof; the appointment of trustees, depositaries and paying agents to receive, hold, disburse, invest and reinvest all or any part of the proceeds of sale of the bonds and all or any part of the income, revenue and receipts of the district, and the board of commissioners may make such other covenants as it may deem necessary to accomplish the most advantageous sale of such bonds. The board of commissioners may also provide that revenue bonds payable out of the same source or sources may later be issued on a parity with any revenue bonds being issued and sold.

RCW 56.16.090
amended.

SEC. 11. Section 22, chapter 210, Laws of 1941 and RCW 56.16.090 are each amended to read as follows:

Rates and
charges.

The sewer commissioners of any sewer district, in the event that such sewer revenue bonds are issued, shall provide for revenues by fixing rates and charges for the furnishing of sewerage disposal service to those to whom such service is available. Such rates and charges are to be fixed as deemed necessary by such sewer commissioners, so that uniform charges will be made for the same class of customer or service. In classifying customers served or service furnished by such system of sewerage, the board of commissioners may in its discretion consider any or all of the following factors: The difference in cost of service to the various customers; the location of the various customers within and without the district; the difference in cost of maintenance, operation, repair, and replacement of the various parts of the system; the different character of the service furnished various customers; the quantity and quality of the sewage delivered and the time of its delivery; capital contributions made to the system including but not limited to assessments;

Classification
of services—
Factors in.

and any other matters which present a reasonable difference as a ground for distinction. Such rates are to be made on a monthly basis and shall produce revenues sufficient to take care of the costs of maintenance and operation, revenue bond and warrant interest and principal amortization requirements, and all other charges necessary for efficient and proper operation of the system.

SEC. 12. Section 16, chapter 250, Laws of 1953 and RCW 56.16.115 are each amended to read as follows:

RCW 56.16.115 amended.

The board of sewer commissioners may by resolution, without submitting the matter to the voters of the district, authorize the issuance of refunding general obligation bonds to refund any outstanding general obligation bonds, or any part thereof, at maturity thereof, or before the maturity thereof, if they are subject to call for prior redemption, or if all of the holders thereof consent thereto. The total cost to the district over the life of the refunding bonds shall not exceed the total cost, which the district would have incurred but for such refunding, over the remainder of the life of the bonds being refunded. The provisions of RCW 56.16.040 specifying the form and maturities of general obligation bonds and providing for annual tax levies in excess of the forty mill tax limitation shall apply to the refunding general obligation bonds issued under this title.

Refunding general obligation bonds authorized.

The board of sewer commissioners may by resolution, without submitting the matter to the voters of the district, provide for the issuance of refunding revenue bonds to refund outstanding general obligation bonds and/or revenue bonds, or any part thereof, at maturity thereof, or before maturity thereof, if they are subject to call for prior redemption, or if all of the holders thereof consent thereto. The total cost to the district over the life of said refund-

Refunding revenue bonds authorized.

ing revenue bonds shall not exceed the total cost, which the district would have incurred but for such refunding, over the remainder of the life of the bonds being refunded. Uncollected assessments originally payable into the revenue bond fund of a refunded revenue bond issue shall be paid into the revenue bond fund of the refunding issue. The provisions of RCW 56.16.060 specifying the form and maturities of revenue bonds shall apply to the refunding revenue bonds issued under this title.

Refunding general obligation bonds or refunding revenue bonds may be exchanged for the bonds being refunded or may be sold in such manner as the sewer commissioners shall deem for the best interest of the sewer district.

RCW 56.16.140
amended.

SEC. 13. Section 46, chapter 210, Laws of 1941 and RCW 56.16.140 are each amended to read as follows:

Maintenance
fund.

The county treasurer shall create and maintain a separate fund designated as the maintenance fund or general fund of the sewer district into which shall be paid all money received by him from the collection of taxes levied by such district other than taxes levied for the payment of general obligation bonds thereof, and into which shall be paid all revenues of the district other than assessments levied in utility local improvement districts, and no money shall be disbursed therefrom except upon warrants of the county auditor issued by authority of the commissioners or upon a resolution of the commissioners ordering a transfer to any other fund of the district.

Special funds.

The county treasurer shall also maintain such other special funds as may be prescribed by the sewer district, into which shall be placed such moneys as the board of sewer commissioners may by its resolution direct, and from which disbursements shall be made upon proper warrants of the county auditor

issued against the same by authority of the board of sewer commissioners.

SEC. 14. There is added to chapter 210, Laws of 1941 and to chapter 56.16 a new section to read as follows: New section.

Whenever a sewer district has accumulated moneys in the maintenance fund or general fund of the district in excess of the requirements of such fund, the board of commissioners may in its discretion use any of such surplus moneys for any of the following purposes: (1) Redemption or servicing of outstanding obligations of the district; (2) maintenance expenses of the district; (3) construction or acquisition of any facilities necessary to carry out the purpose of the district. Maintenance fund—Use of surplus moneys.

SEC. 15. There is added to chapter 210, Laws of 1941 and to chapter 56.16 RCW a new section to read as follows: New section.

Whenever there shall have accumulated in any general or special fund of a sewer district moneys, the disbursement of which is not yet due, the board of commissioners may, by resolution, authorize and direct the county treasurer to deposit or invest such moneys in banks, mutual savings banks, or savings and loan associations in an amount in each institution no greater than the amount insured by any department or agency of the United States government, the Federal Deposit Insurance Corporation, or the Federal Savings and Loan Insurance Corporation, or to invest such moneys in direct obligations of the United States government: *Provided*, That the county treasurer may refuse to invest any district moneys for a period shorter than ninety days, or in an amount less than five thousand dollars, or any moneys the disbursement of which will be required during the period of investment to meet outstanding obligations of the district. Surplus moneys in funds—Investment of.

New section.

SEC. 16. There is added to chapter 210, Laws of 1941 and to chapter 56.16 RCW a new section to read as follows:

Surplus
moneys—Loan
to construc-
tion fund.

The board of commissioners of any sewer district may, by resolution, authorize and direct a loan or loans from maintenance funds or general funds of the district to construction funds of the district: *Provided*, That such loan does not, in the opinion of the board of commissioners, impair the ability of the district to operate and maintain its system of sewers.

New section.

SEC. 17. There is added to chapter 210, Laws of 1941 and to Title 56 RCW a new section to read as follows:

Validation,
prior pro-
ceedings.

All debts, contracts and obligations heretofore made or incurred by or in favor of any sewer district, all bonds, warrants, or other obligations issued by such districts, any connection or service charges made by such districts, any and all assessments heretofore levied in any utility local improvement districts of any sewer districts, and all other things and proceedings relating thereto done or taken by such sewer districts or by their respective officers are hereby declared to be legal and valid and of full force and effect from the date thereof: *Provided*, That nothing in this section shall apply to ultra vires acts or acts of fraud committed by the officers or agents of said district.

New section.

SEC. 18. There is added to chapter 210, Laws of 1941 and to Title 56 RCW a new section to read as follows:

Construction.

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

Severability.

SEC. 19. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of

the provision to other persons or circumstances is not affected.

SEC. 20. This act is necessary for the immediate Emergency.
preservation of the public peace, health and safety and support of the state government and its existing institutions and shall take effect immediately.

Passed the House February 24, 1959.

Passed the Senate March 4, 1959.

Approved by the Governor March 11, 1959.

CHAPTER 104.

[H. B. 542.]

RECLAMATION BY STATE.

AN ACT relating to reclamation, irrigation improvement, diking improvement, diking and drainage improvement, and drainage improvement districts; amending section 4, chapter 158, Laws of 1919 and RCW 89.16.020, 89.16.030 and 89.16.040; amending section 7, chapter 158, Laws of 1919, as amended by section 2, chapter 132, Laws of 1923, and RCW 89.16.070; adding a new section to chapter 85.08 RCW; adding a new section to chapter 87.36 RCW; and declaring an emergency.

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

SECTION 1. Section 4, chapter 158, Laws of 1919 (heretofore divided and codified as RCW 89.16.020, 89.16.030 and 89.16.040) is divided and amended as set forth in sections 2, 3 and 4 of this act.

SEC. 2. (RCW 89.16.020) For the purpose of carrying out the provisions of this chapter the state reclamation revolving fund, heretofore established and hereinafter called the reclamation fund, shall consist of all sums appropriated thereto by the legislature; all gifts made to the state therefor and the proceeds of the sale thereof; the proceeds of the sale or redemption of and the interest earned by securi-

RCW 89.16.020
enacted
without
amendment.