

amended to read as follows:

Any person who, at the request of the owner of any real property, or his agent, (~~contractor or subcontractor,~~) clears, grades, fills in or otherwise improves the same, or any street or road in front of, or adjoining the same, and every person who, at the request of the owner of any real property, or his agents, (~~contractor, or subcontractor,~~) rents, leases, or otherwise supplies equipment, or furnishes materials, including blasting powder, dynamite, caps and fuses, for clearing, grading, filling in, or otherwise improving any real property or any street or road in front of or adjoining the same, has a lien upon such real property for the labor performed, the materials furnished, or the equipment supplied for such purposes.

NEW SECTION. Sec. 4. This 1971 amendatory act shall take effect on January 1, 1972.

Passed the Senate May 8, 1971.

Passed the House May 7, 1971.

Approved by the Governor May 19, 1971.

Filed in Office of Secretary of State May 20, 1971.

CHAPTER 95

[Substitute Senate Bill No. 85]

CITIES AND TOWNS, WATER OR SEWER DISTRICTS--
INTERGOVERNMENTAL RELATIONSHIPS

AN ACT Relating to municipal corporations; adding a new chapter to Title 35 RCW; repealing section 35.13.220, chapter 7, Laws of 1965 and RCW 35.13.220; repealing section 35.13.243, chapter 7, Laws of 1965 and RCW 35.13.243; repealing section 35.13.246, chapter 7, Laws of 1965 and RCW 35.13.246; repealing section 35.13.250, chapter 7, Laws of 1965 and RCW 35.13.250; repealing section 4, chapter 51, Laws of 1969 ex. sess. and RCW 35.13.255; repealing section 35A.14.350, chapter 119, Laws of 1967 ex. sess. and RCW 35A.14.350; repealing section 35A.14.360, chapter 119, Laws of 1967 ex. sess. and RCW 35A.14.360; repealing section 5, chapter 51, Laws of 1969 ex. sess. and RCW 35A.14.365; repealing section 35A.14.370, chapter 119, Laws of 1967 ex. sess. and RCW 35A.14.370; and repealing section 35A.14.600, chapter 119, Laws of 1967 ex. sess. and RCW 35A.14.600.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. Whenever used in this act, the following words shall have the following meanings:

(1) The word "district" shall mean a water district or sewer district as indicated by the context of the section in which used.

(2) The word "city" shall mean a city or town of any class and shall also include any code city as defined in chapter 35A.01 RCW.

(3) The words "included with" shall mean the inclusion of all or part of the territory of a district, as indicated by the context, within the corporate limits of a city either by incorporation of a city, annexation to a city, consolidation of cities or any combination thereof.

(4) The word "indebtedness" shall include general obligation, revenue, and special indebtedness and temporary, emergency, and interim loans.

NEW SECTION. Sec. 2. Whenever all of the territory of a water district or sewer district is included within the corporate boundaries of a city, and the city legislative body has elected by resolution or ordinance to assume jurisdiction thereof, all real and personal property, franchises, rights, assets, taxes levied but not collected for the district for other than indebtedness, water and sewer lines, and all other facilities and equipment of the district shall become the property of such city subject to all financial, statutory, or contractual obligations of the district for the security or performance of which such property may have been pledged. Such city, in addition to its other powers, shall have the power to manage, control, maintain and operate such property, facilities and equipment and to fix and collect service and other charges from owners and occupants of properties so served by the city, subject, however, to any outstanding indebtedness, bonded or otherwise, of the district payable from taxes, assessments or revenues of any kind or nature and to any other contractual obligations of the district.

Such city may by resolution of its legislative body, assume the obligation of paying such district indebtedness and of levying and of collecting or causing to be collected such district taxes, assessments and utility rates and charges of any kind or nature to pay and secure the payment of such indebtedness, according to all of the terms, conditions and covenants incident to such indebtedness, and shall assume and perform all other outstanding contractual obligation of the district in accordance with all of its terms, conditions and covenants. No such assumption shall be deemed to impair the obligation of any indebtedness or other contractual obligation entered into after the effective date of this act. During the period until the outstanding indebtedness of the district has been discharged, the territory of the district and the owners and occupants of property therein, shall continue to be liable for its and their proportionate share of such indebtedness, including any outstanding assessments levied within any local improvement district

or utility local improvement district thereof. The city shall assume the obligation of causing the payment of such indebtedness, collecting such taxes, assessments and charges and observing and performing the other district contractual obligations. The legislative body of the city shall act as the officers of the district for the purpose of certifying the amount of any property tax to be levied and collected therein, and causing service and other charges and assessments to be collected from such property or owners or occupants thereof, enforcing such collection and performing all other acts necessary to insure performance of the district's contractual obligations in the same manner and by the same means as if the territory of the district had not been included within the boundaries of a city.

When a city assumes the obligation of paying the outstanding indebtedness, and if property taxes or assessments have been levied and service and other charges have accrued for such purpose but have not been collected by the district prior to such election, the same when collected shall belong and be paid to the city and be used by such city so far as necessary for payment of the indebtedness of the district existing and unpaid on the date such city elects to assume the indebtedness. Any funds received by the city which have been collected for the purpose of paying any bonded or other indebtedness of the district, shall be used for the purpose for which they were collected and for no other purpose. Any outstanding indebtedness shall be paid as provided in the bond covenants. All funds of the district on deposit with the county treasurer at the time of title transfer shall be used by the city solely for the benefit of the utility and shall not be transferred to or used for the benefit of the city's general fund.

NEW SECTION. Sec. 3. Whenever a portion of a water district or sewer district equal to at least sixty percent of the area or sixty percent of the assessed valuation of the real property lying within such district, is included within the corporate boundaries of a city, the city may assume by ordinance the full and complete management and control of that portion of the entire district not included within another city, whereupon the provisions of section 2 of this act shall be operative; or the city may proceed directly under the provisions of section 5 of this act.

NEW SECTION. Sec. 4. Whenever the portion of a water or sewer district included within the corporate boundaries of a city is less than sixty percent of the area of the district and less than sixty percent of the assessed valuation of the real property within the district, the city may elect to proceed under the provisions of section 5 of this act.

NEW SECTION. Sec. 5. When electing under sections 3 or 4 of

this act to proceed under this section, the city may assume, by ordinance, jurisdiction of the district's responsibilities, property, facilities and equipment within the corporate limits of the city: PROVIDED, That if on the effective date of such an ordinance the territory of the district included within the city contains any facilities serving or designed to serve any portion of the district outside the corporate limits of the city or if the territory lying within the district and outside the city contains any facilities serving or designed to serve territory included within the city (which facilities are hereafter in this section called the "serving facilities"), the city or district shall for the economically useful life of any such serving facilities make available sufficient capacity therein to serve the sewage or water requirements of such territory, to the extent that such facilities were designed to serve such territory at a rate charged to the municipality being served which is reasonable to all parties.

In the event a city proceeds under this section, the district may elect upon a favorable vote of a majority of all voters within the district voting upon such propositions to require the city to assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district and to pay the city a charge for such operation and maintenance which is reasonable under all of the circumstances.

A city acquiring property, facilities and equipment under the provisions of this section shall acquire such property, facilities and equipment, and fix and collect service and other charges from owners and occupants of properties served by the city, subject, to any contractual obligations of the district which relate to the property, facilities, or equipment so acquired by the city or which are secured by taxes, assessments or revenues from the territory of the district included within the city. In such cases, the property included within the city and the owners and occupants thereof shall continue to be liable for payment of its and their proportionate share of any outstanding district indebtedness. The district and its officers shall continue to levy taxes and assessments on and to collect service and other charges from such property, or owners or occupants thereof, to enforce such collections, and to perform all other acts necessary to insure performance of the district's contractual obligations in the same manner and by the same means as if the territory of the district had not been included within the boundaries of a city.

NEW SECTION. Sec. 6. Whenever more than one city, in whole or in part, is included within a water district or sewer district, the city which has within its boundaries sixty percent or more of the area of the assessed valuation of the district (in this section

referred to as the "principal city") may, with the approval of any other city containing part of such district, assume responsibility for operation and maintenance of the district's property, facilities and equipment within such other city and make and enforce such charges for operation, maintenance and retirement of indebtedness as may be reasonable under all the circumstances.

Any other city having less than sixty percent in area or assessed valuation of such district, within its boundaries may install facilities and create local improvement districts or otherwise finance the cost of installation of such facilities and if such facilities have been installed in accordance with reasonable standards fixed by the principal city, such other city may connect such facilities to the utility system of such district operated by the principal city upon providing for payment by the owners or occupants of properties served thereby, of such charges established by the principal city as may be reasonable under the circumstances.

NEW SECTION. Sec. 7. Notwithstanding any provision of this act to the contrary, one or more cities and one or more water districts or sewer districts may, through their legislative authorities, authorize a contract with respect to the rights, powers, duties and obligation of such cities, or districts with regard to the use and ownership of property, the providing of services, the maintenance and operation of facilities, allocation of cost, financing and construction of new facilities, application and use of assets, disposition of liabilities and debts, the performance of contractual obligations and any other matters arising out of the inclusion, in whole or in part, of the district or districts within any city or cities. The contract may provide for the furnishing of services by any party thereto and the use of city or district facilities or real estate for such purpose, and may also provide for the time during which such district or districts may continue to exercise any rights, privileges, powers and functions provided by law for such district or districts as if the district or districts or portions thereof were not included within a city, including but not by way of limitation, the right to promulgate rules and regulations, to levy and collect special assessments, rates, charges, service charges and connection fees, and to adopt and carry out the provisions of a comprehensive plan, and amendments thereto, for a system of improvements and to issue general obligation bonds or revenue bonds in the manner provided by law. The contract may provide for the transfer to a city of district facilities, property, rights and powers as provided in sections 3 and 5 of this act, whether or not sixty percent of the area or assessed valuation of real estate lying within the district or districts is included within such city. The contract may provide that any party thereto may

authorize, issue and sell revenue bonds to provide funds for new water or sewer improvements or to refund any water revenue, sewer revenue or combined water and sewer revenue bonds outstanding of any city, or district which is a party to such contract if such refunding is deemed necessary, providing such refunding will not increase interest costs. The contract may provide that any party thereto may authorize and issue, in the manner provided by law, general obligation or revenue bonds of like amounts, terms, conditions and covenants as the outstanding bonds of any other party to the contract, and such new bonds may be substituted or exchanged for such outstanding bonds: PROVIDED, That no such exchange or substitution shall be effected in such a manner as to impair the obligation or security of any such outstanding bonds.

NEW SECTION. Sec. 8. In any of the cases provided for in sections 2, 3, and 5 of this act, and notwithstanding any other method of dissolution provided by law, dissolution proceedings may be initiated by either the city or the district, or both, when the legislative body of the city and the governing body of the district agree to, and petition for, dissolution of the district.

The petition for dissolution shall be signed by the chief administrative officer of the city and the district, upon authorization of the legislative body of the city and the governing body of the district, respectively and such petition shall be presented to the superior court of the county in which the city is situated.

If the petition is thus authorized by both the city and district, and title to the property, facilities and equipment of the district has passed to the city pursuant to action taken under this act, all indebtedness and local improvement district or utility local improvement district assessments of the district have been discharged or assumed by and transferred to the city, and the petition contains a statement of the distribution of assets and liabilities mutually agreed upon by the city and the district and a copy of the agreement between such city and the district is attached thereto, a hearing shall not be required and the court shall, if the interests of all interested parties have been protected, enter an order dissolving the district.

In any of the cases provided for in sections 2 and 3 of this act, if the petition for an order of dissolution is signed on behalf of the city alone or the district alone, or there is no mutual agreement on the distribution of assets and liabilities, the superior court shall enter an order fixing a hearing date not less than sixty days from the day the petition is filed, and the clerk of the court of the county shall give notice of such hearing by publication in a newspaper of general circulation in the district once a week for

three successive weeks and by posting in three public places in the district at least twenty-one days before the hearing. The notice shall set forth the filing of the petition, its purposes, and the date and place of hearing thereon.

After the hearing the court shall enter its order with respect to the dissolution of the district. If the court finds that such district should be dissolved and the functions performed by the city, the court shall provide for the transfer of assets and liabilities to the city. The court may provide for the dissolution of the district upon such conditions as the court may deem appropriate. A certified copy of the court order dissolving the district shall be filed with the county auditor. If the court does not dissolve the district, it shall state the reasons for declining to do so.

NEW SECTION. Sec. 9. Whenever a city acquires all of the facilities of a water district or sewer district, pursuant to this act, such a city shall offer to employ every full time employee of the district who is engaged in the operation of such a district's facilities on the date on which such city acquires the district facilities. When a city acquires any portion of the facilities of such a district, such a city shall offer to employ full time employees of the district as of the date of the acquisition of the facilities of the district who are no longer needed by the district.

Whenever a city employs a person who was employed immediately prior thereto by the district, arrangements shall be made:

(1) For the retention of service credits under the pension plan of the district pursuant to RCW 41.04.070 through 41.04.110.

(2) For the retention of all sick leave standing to the employee's credit in the plan of such district.

(3) For a vacation with pay during the first year of employment equivalent to that to which he would have been entitled if he had remained in the employment of the district.

NEW SECTION. Sec. 10. The following acts or parts of acts are each repealed:

(1) Section 35.13.220, chapter 7, Laws of 1965 and RCW 35.13.220;

(2) Section 35.13.243, chapter 7, Laws of 1965 and RCW 35.13.243;

(3) Section 35.13.246, chapter 7, Laws of 1965 and RCW 35.13.246;

(4) Section 35.13.250, chapter 7, Laws of 1965 and RCW 35.13.250;

(5) Section 4, chapter 51, Laws of 1969 ex. sess. and RCW 35.13.255;

(6) Section 35A.14.350, chapter 119, Laws of 1967 ex. sess. and RCW 35A.14.350;

(7) Section 35A.14.360, chapter 119, Laws of 1967 ex. sess. and RCW 35A.14.360;

(8) Section 5, chapter 51, Laws of 1969 ex. sess. and RCW 35A.14.365;

(9) Section 35A.14.370, chapter 119, Laws of 1967 ex. sess. and RCW 35A.14.370; and

(10) Section 35A.14.600, chapter 119, Laws of 1967 ex. sess. and RCW 35A.14.600.

NEW SECTION. Sec. 11. Sections 1 through 9 and section 12 shall constitute a new chapter in Title 35 RCW.

NEW SECTION. Sec. 12. 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.

Passed the Senate April 30, 1971.

Passed the House May 9, 1971.

Approved by the Governor May 19, 1971.

Filed in Office of Secretary of State May 20, 1971.

CHAPTER 96

[Engrossed Substitute Senate Bill No. 139]

COUNTIES--

SEWERAGE, WATER AND DRAINAGE SYSTEMS

AN ACT Relating to counties; amending section 1, chapter 72, Laws of 1967 and RCW 36.94.010; amending section 5, chapter 72, Laws of 1967 and RCW 36.94.050; amending section 6, chapter 72, Laws of 1967 and RCW 36.94.060; amending section 7, chapter 72, Laws of 1967 and RCW 36.94.070; amending section 10, chapter 72, Laws of 1967 and RCW 36.94.100; amending section 12, chapter 72, Laws of 1967 and RCW 36.94.120; amending section 17, chapter 72, Laws of 1967 and RCW 36.94.170; amending section 18, chapter 72, Laws of 1967 and RCW 36.94.180; amending section 22, chapter 72, Laws of 1967 and RCW 36.94.220; amending section 23, chapter 72, Laws of 1967 and RCW 36.94.230; amending section 24, chapter 72, Laws of 1967 and RCW 36.94.240; creating new sections; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 1, chapter 72, Laws of 1967 and RCW 36.94.010 are each amended to read as follows:

As used in this chapter: