

# Title 54

## PUBLIC UTILITY DISTRICTS

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**54.04.010 Definitions.** As used in this title "revenue obligation" or "revenue obligations" mean and include bonds, notes, warrants, certificates of indebtedness, or any other evidences of indebtedness issued by a district which, by the terms thereof, shall be payable from the revenues of its public utilities. [1959 c 218 § 14.]

*"Wholesale power" defined: RCW 54.04.100.*

**54.04.020 Districts authorized.** Municipal corporations, to be known as public utility districts, are hereby authorized for the purposes of chapter 1, Laws of 1931 and may be established within the limits of the state of Washington, as provided herein. [1931 c 1 § 2; RRS § 11606.]

**Purpose—1931 c 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." [1931 c 1 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.04.030 Restrictions on invading other municipalities.** Chapter 1, Laws of 1931, shall not be deemed or con-

### Chapter 54.04 RCW GENERAL PROVISIONS

#### Sections

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strued to repeal or affect any existing act, or any part thereof, relating to the construction, operation and maintenance of public utilities by irrigation or water-sewer 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-sewer 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. [1999 c 153 § 64; 1931 c 1 § 12; RRS § 11616.]

*Irrigation districts: Title 87 RCW.*

*Municipal utilities: RCW 80.04.500, 81.04.490 and chapter 35.92 RCW.*

*Water-sewer districts: Title 57 RCW.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.04.035 Annexation of territory.** In addition to other powers authorized in Title 54 RCW, public utility districts may annex territory as provided in this section.

The boundaries of a public utility district may be enlarged and new contiguous territory added pursuant to the procedures for annexation by cities and towns provided in RCW 35.13.015 through 35.13.110. The provisions of these sections concerning community municipal corporations, review boards, and comprehensive plans, however, do not apply to public utility district annexations. For purposes of conforming with such procedures, the public utility district is deemed to be the city or town and the board of commissioners is deemed to be the city or town legislative body.

Annexation procedures provided in this section may only be used to annex territory that is both: (1) Contiguous to the annexing public utility district; and (2) located within the service area of the annexing public utility district. As used in this section, a public utility district's "service area" means those areas whether located within or outside of the annexing public utility district's boundaries that were generally served with electrical energy by the annexing public utility district on January 1, 1987. Such service area may, or may not, have been recognized in an agreement made under chapter 54.48 RCW, but no area may be included within such service area that was generally served with electrical energy on January 1, 1987, by another public utility as defined in RCW 54.48.010. An area proposed to be annexed may be located in the same or a different county as the annexing public utility district.

If an area proposed to be annexed is located within the boundaries of another public utility district, annexation may be initiated only upon petition of registered voters residing in the area in accordance with RCW 35.13.020 and adoption by the boards of commissioners of both districts of identical resolutions stating (a) the boundaries of the area to be annexed, (b) a determination that annexation is in the public interest of the residents of the area to be annexed as well as the public interest of their respective districts, (c) approval of annex-

ation by the board, (d) the boundaries of the districts after annexation, (e) the disposition of any assets of the districts in the area to be annexed, (f) the obligations to be assumed by the annexing district, (g) apportionment of election costs, and (h) that voters in the area to be annexed will be advised of lawsuits that may impose liability on the annexed territory and the possible impact of annexation on taxes and utility rates.

If annexation is approved, the area annexed shall cease to be a part of the one public utility district at the same time that it becomes a part of the other district. The annexing public utility district shall assume responsibility for providing the area annexed with the services provided by the other public utility district in the area annexed. [1987 c 292 § 2; 1983 c 101 § 1.]

*Consolidation and annexation: Chapter 54.32 RCW.*

**54.04.037 Annexation of territory—Coordination among county officials.** When territory has been added to a public utility district in accordance with RCW 54.04.035, the supervisor of elections and other officers of the county in which the public utility district first operated shall coordinate elections, the levy and collection of taxes, and other necessary duties with the appropriate county officials of the other county. [1987 c 292 § 3.]

**54.04.039 County with federal nuclear reservation within its boundaries—Special procedure for addition or withdrawal of territory from public utility district.** (1) Any voting precinct located within a county that has a federal nuclear reservation within its boundaries is:

(a) Withdrawn from a public utility district if the precinct receives at least one electric distribution, water, or sewer service from a city, and no electric distribution, water, or sewer service from a public utility district;

(b) Included in a public utility district if any portion of the precinct receives at least one electric distribution, water, or sewer service from the public utility district.

(2) For voting precincts that meet the requirements of subsection (1) of this section, within ten days after March 24, 2004, and for voting precincts that later meet the requirements of subsection (1) of this section, within thirty days of meeting the requirements:

(a) The city that provides any electric distribution, water, or sewer service to a precinct that is withdrawn from a public utility district under subsection (1) of this section shall submit to the public utility district and the county auditor a list of street addresses, or map of the areas to which any service is provided;

(b) The public utility district that provides any electric distribution, water, or sewer service to a precinct that is included in the public utility district under subsection (1) of this section shall submit to the city or town and the county auditor a list of street addresses, or map of the areas to which any service is provided.

(3) Within ten days of receipt of the information required under subsection (2) of this section, the auditor shall determine which voting precincts are required to be withdrawn from or included in the public utility district, and provide that information to the public utility district commissioners who shall, within ten days, revise the boundaries of the district in

conformance with RCW 54.12.010 without dividing any voting precinct.

(4) Unless otherwise provided in an agreement between the public utility district and the city or town, taxes or assessments levied or assessed against property located in an area withdrawn from a public utility district shall remain a lien and be collected as by law (a) if the taxes or assessments were levied or assessed before the withdrawal or (b) if the levies or assessments were made to pay or secure an obligation of the district duly incurred or issued before the withdrawal. The withdrawal of an area from the boundaries of a district does not exempt any property therein from taxation or assessment for the purpose of paying the costs of retiring or redeeming any obligation of the district duly incurred or issued before the withdrawal.

(5) Except as set forth in subsection (4) of this section, a public utility district may not levy or impose any taxes upon property located within those voting precincts withdrawn from the public utility district.

(6) Nothing in chapter 113, Laws of 2004 limits the authority of public utility districts and cities or towns to enter into service agreements that are otherwise permitted by law. [2004 c 113 § 2.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.04.040 Utilities within a city or town—Restrictions.** A district shall not construct any property to be utilized by it in the operation of a plant or system for the generation, transmission, or distribution of electric energy for sale, on the streets, alleys, or public places within a city or town without the consent of the governing body of the city or town and approval of the plan and location of the construction, which shall be made under such reasonable terms as the city or town may impose. All such properties shall be maintained and operated subject to such regulations as the city or town may prescribe under its police power. [1957 c 278 § 9. Prior: (i) 1941 c 245 § 3a; Rem. Supp. 1941 § 11616-4. (ii) 1941 c 245 § 1, part; Rem. Supp. 1941 § 11616-1.]

**54.04.045 Locally regulated utilities—Attachments to poles—Rates—Contracting.** (1) As used in this section:

(a) "Attachment" means the affixation or installation of any wire, cable, or other physical material capable of carrying electronic impulses or light waves for the carrying of intelligence for telecommunications or television, including, but not limited to cable, and any related device, apparatus, or auxiliary equipment upon any pole owned or controlled in whole or in part by one or more locally regulated utilities where the installation has been made with the necessary consent.

(b) "Licensee" means any person, firm, corporation, partnership, company, association, joint stock association, or cooperatively organized association, which is authorized to construct attachments upon, along, under, or across public ways.

(c) "Locally regulated utility" means a public utility district not subject to rate or service regulation by the utilities and transportation commission.

(d) "Nondiscriminatory" means that pole owners may not arbitrarily differentiate among or between similar classes of licensees approved for attachments.

(2) All rates, terms, and conditions made, demanded, or received by a locally regulated utility for attachments to its poles must be just, reasonable, nondiscriminatory, and sufficient. A locally regulated utility shall levy attachment space rental rates that are uniform for the same class of service within the locally regulated utility service area.

(3) A just and reasonable rate must be calculated as follows:

(a) One component of the rate shall consist of the additional costs of procuring and maintaining pole attachments, but may not exceed the actual capital and operating expenses of the locally regulated utility attributable to that portion of the pole, duct, or conduit used for the pole attachment, including a share of the required support and clearance space, in proportion to the space used for the pole attachment, as compared to all other uses made of the subject facilities and uses that remain available to the owner or owners of the subject facilities;

(b) The other component of the rate shall consist of the additional costs of procuring and maintaining pole attachments, but may not exceed the actual capital and operating expenses of the locally regulated utility attributable to the share, expressed in feet, of the required support and clearance space, divided equally among the locally regulated utility and all attaching licensees, in addition to the space used for the pole attachment, which sum is divided by the height of the pole; and

(c) The just and reasonable rate shall be computed by adding one-half of the rate component resulting from (a) of this subsection to one-half of the rate component resulting from (b) of this subsection.

(4) For the purpose of establishing a rate under subsection (3)(a) of this section, the locally regulated utility may establish a rate according to the calculation set forth in subsection (3)(a) of this section or it may establish a rate according to the cable formula set forth by the federal communications commission by rule as it existed on June 12, 2008, or such subsequent date as may be provided by the federal communications commission by rule, consistent with the purposes of this section.

(5) Except in extraordinary circumstances, a locally regulated utility must respond to a licensee's application to enter into a new pole attachment contract or renew an existing pole attachment contract within forty-five days of receipt, stating either:

(a) The application is complete; or

(b) The application is incomplete, including a statement of what information is needed to make the application complete.

(6) Within sixty days of an application being deemed complete, the locally regulated utility shall notify the applicant as to whether the application has been accepted for licensing or rejected. In extraordinary circumstances, and with the approval of the applicant, the locally regulated utility may extend the sixty-day timeline under this subsection. If the application is rejected, the locally regulated utility must provide reasons for the rejection. A request to attach may only be denied on a nondiscriminatory basis (a) where there is insufficient capacity; or (b) for reasons of safety, reliability, or the inability to meet generally applicable engineering standards and practices.

(7) Nothing in this section shall be construed or is intended to confer upon the utilities and transportation commission any authority to exercise jurisdiction over locally regulated utilities. [2008 c 197 § 2; 1996 c 32 § 5.]

**Intent—2008 c 197:** "It is the policy of the state to encourage the joint use of utility poles, to promote competition for the provision of telecommunications and information services, and to recognize the value of the infrastructure of locally regulated utilities. To achieve these objectives, the legislature intends to establish a consistent cost-based formula for calculating pole attachment rates, which will ensure greater predictability and consistency in pole attachment rates statewide, as well as ensure that locally regulated utility customers do not subsidize licensees. The legislature further intends to continue working through issues related to pole attachments with interested parties in an open and collaborative process in order to minimize the potential for disputes going forward." [2008 c 197 § 1.]

**54.04.050 Group employee insurance—Deferred compensation plans—Supplemental savings plans.** (1) Subject to chapter 48.62 RCW, any public utility district engaged in the operation of electric or water utilities may enter into contracts of group insurance for the benefit of its employees, and pay all or any part of the premiums for such insurance. Such premiums shall be paid out of the revenues derived from the operation of such properties: PROVIDED, That if the premium is to be paid by the district and employees jointly, and the benefits of the policy are offered to all eligible employees, not less than seventy-five percent of such employees may be so insured.

(2) A public utility district engaged in the operation of electric or water utilities may establish and maintain for the benefit of its eligible employees and officials any plan of deferred compensation or supplemental savings plan for retirement, and make contributions or pay benefits thereunder out of the revenue derived from the operation of its properties. For purposes of this section, "contributions" includes contributions on behalf of an eligible employee equal to the amount by which the employee agrees to a reduction in salary or wages and also includes contributions made by the public utility district separate from amounts otherwise intended as salary or wages. Coverage of an employee under a plan under this section does not render the employee or official ineligible for simultaneous membership and participation in any pension system for public employees.

(3) Contributions must be deposited in designated accounts, held in trust, or remitted to an insurer. When deposited to an account or held in trust, the account or trust fund is considered a public retirement fund within the meaning of Article XXIX, section 1 of the state Constitution, for the purpose of determining eligible investments and deposits of money into the account or trust.

(4) Contributions may be deposited or invested in a credit union, savings and loan association, bank, mutual savings bank, purchase life insurance, shares of an investment company, or fixed or variable annuity contracts from any insurance company or any investment company licensed to contract business in this state. To the extent a plan is an individual account plan, participants in the plan may be permitted to self-direct the investment of assets allocated to their account through the selection of investment options authorized under the plan, and an employee, official, or commissioner of the district is not liable for any loss or deficiency resulting from participant investments. An "individual account plan" is a plan that provides for an individual account

for each participant and for benefits based upon the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of accounts or other participants which may be allocated to that participant's account. [2011 c 30 § 1; 1991 sp.s. c 30 § 23; 1984 c 15 § 1; 1959 c 233 § 1; 1941 c 245 § 8; Rem. Supp. 1941 § 11616-6.]

**Intent—2011 c 30:** "This act is intended to clarify existing authority of public utility districts to provide deferred compensation and supplemental savings plans for retirement for their employees, commissioners, and other officials." [2011 c 30 § 2.]

*Group insurance: Chapters 48.21 and 48.24 RCW.*

*Hospitalization and medical insurance authorized: RCW 41.04.180.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.04.055 Employee benefits—District may continue to pay premiums after employee retires.** Any public utility district which provides for the coverage of any of its employees under any plan for individual annuity contracts, retirement income policies, group annuity contracts, group insurance for the benefit of its employees, or any other contract for the benefit of its employees, and pays all or any part of the premiums or other payments required therefor, is hereby authorized to continue to make such payments for such employees after their retirement from employment. Such payments agreed to by the public utility district shall be considered as deferred compensation. Such payments shall not be retroactive but shall only be available for those employees employed on or after August 6, 1965 provided that such payments for retired employees shall not exceed those being paid for regular employees. [1965 ex.s. c 149 § 1.]

**54.04.060 District elections.** The supervisor of elections or other proper officer of the county shall give notice of all elections held under this title, for the time and in the manner and form provided for city, town, school district, and port district elections. When the supervisor or other officer deems an emergency exists, and is requested so to do by a resolution of the district commission, he or she may call a special election at any time in the district, and he or she may combine or divide precincts for the purpose of holding special elections, and special elections shall be conducted and notice thereof given in the manner provided by law.

The supervisor or other officer shall provide polling places, appoint the election officers, provide their compensation, provide ballot boxes, and ballots or voting machines, poll books and tally sheets, and deliver them to the election officers at the polling places, publish and post notices of the elections in the manner provided by law, and apportion to the district its share of the expense of the election.

The manner of conducting and voting at the elections, opening and closing of polls, keeping of poll lists, canvassing the votes, declaring the result, and certifying the returns, shall be the same as for the election of state and county officers, except as otherwise provided herein.

The district commission shall certify to the supervisor a list of offices to be filled at a district election and the commission, if it desires to submit to the voters of the district a proposition, shall require the secretary of the commission to certify it at the time and in the manner and form provided for certifying propositions by the governing board of cities,

towns, and port districts. [2010 c 8 § 17001; 1951 c 207 § 1; 1941 c 245 § 5; 1931 c 1 § 5; RRS § 11609.]

**54.04.070 Contracts for work or materials—Notice—Exemptions—Unit priced contracts.** (1) Any item, or items of the same kind of materials, equipment, or supplies purchased, the estimated cost of which is in excess of thirty thousand dollars, exclusive of sales tax, shall be by contract. However, a district may make purchases of the same kind of items of materials, equipment, and supplies not exceeding twelve thousand dollars in any calendar month without a contract, purchasing any excess thereof over twelve thousand dollars by contract.

(2) Any work ordered by a district commission, the estimated cost of which is in excess of fifty thousand dollars, exclusive of sales tax, shall be by contract. However, a district commission may have its own regularly employed personnel perform work which is an accepted industry practice under prudent utility management without a contract. For purposes of this section, "prudent utility management" means performing work with regularly employed personnel utilizing material of a worth not exceeding three hundred thousand dollars in value without a contract. This limit on the value of material being utilized in work being performed by regularly employed personnel shall not include the value of individual items of equipment. For the purposes of this section, the term "equipment" includes but is not limited to conductor, cabling, wire, pipe, or lines used for electrical, water, fiber optic, or telecommunications.

(3) Before awarding a contract required under subsection (1) or (2) of this section, the commission shall publish a notice once or more in a newspaper of general circulation in the district at least thirteen days before the last date upon which bids will be received, inviting sealed proposals for the work or materials. Plans and specifications for the work or materials shall at the time of publication be on file at the office of the district and subject to public inspection. Any published notice ordering work to be performed for the district shall be mailed at the time of publication to any established trade association which files a written request with the district to receive such notices. The commission may, at the same time and as part of the same notice, invite tenders for the work or materials upon plans and specifications to be submitted by the bidders.

(4) As an alternative to the competitive bidding requirements of this section and RCW 54.04.080, a district may let contracts using the small works roster process under RCW 39.04.155.

(5) Whenever equipment or materials required by a district are held by a governmental agency and are available for sale but such agency is unwilling to submit a proposal, the commission may ascertain the price of such items and file a statement of such price supported by the sworn affidavit of one member of the commission, and may consider such price as a bid without a deposit or bond.

(6) Pursuant to RCW 39.04.280, the commission may waive the competitive bidding requirements of this section and RCW 54.04.080 if an exemption contained within RCW 39.04.280 applies to the purchase or public work.

(7)(a) A district may procure public works with a unit priced contract under this section, RCW 54.04.080, or

54.04.085 for the purpose of completing anticipated types of work based on hourly rates or unit pricing for one or more categories of work or trades.

(b) For the purposes of this section, unit priced contract means a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work.

(c) Unit priced contracts must be executed for an initial contract term not to exceed three years, with the district having the option of extending or renewing the unit priced contract for one additional year.

(d) Invitations for unit price bids shall include, for purposes of the bid evaluation, estimated quantities of the anticipated types of work or trades, and specify how the district will issue or release work assignments, work orders, or task authorizations pursuant to a unit priced contract for projects, tasks, or other work based on the hourly rates or unit prices bid by the contractor. Where electrical facility construction or improvement work is anticipated, contractors on a unit priced contract shall comply with the requirements under RCW 54.04.085 (1) through (5). Contracts must be awarded to the lowest responsible bidder as per RCW 39.04.010.

(e) Unit price contractors shall pay prevailing wages for all work that would otherwise be subject to the requirements of chapter 39.12 RCW. Prevailing wages for all work performed pursuant to each work order must be the prevailing wage rates in effect at the beginning date for each contract year. Unit priced contracts must have prevailing wage rates updated annually. Intents and affidavits for prevailing wages paid must be submitted annually for all work completed within the previous twelve-month period of the unit priced contract. [2019 c 434 § 7; 2017 c 85 § 1; 2008 c 216 § 2; 2002 c 72 § 2; 2000 c 138 § 211; 1998 c 278 § 7; 1993 c 198 § 14; 1990 c 251 § 1; 1971 ex.s. c 220 § 4; 1955 c 124 § 2. Prior: 1951 c 207 § 2; 1931 c 1 § 8, part; RRS § 11612, part.]

**Finding—Intent—2019 c 434:** See note following RCW 35.23.352.

**Findings—Intent—2008 c 216:** "The legislature finds that public utility districts provide customer-owned, nonprofit utility services throughout Washington state. The legislature further finds that statutory bid limits for public utility districts have not been increased to address inflation and dramatic cost increases in construction materials. The legislature further finds that existing bid limits and high construction material costs often preclude public utility districts from maintaining and repairing their utility infrastructure, providing training and experience to utility workers, and accommodating high contract administrative costs. The legislature further finds that existing bid limits result in increased costs to both public utility districts and utility customers. Therefore, it is the intent of the legislature to amend the bid limits for public utility districts to address inflation and increased material costs." [2008 c 216 § 1.]

**Purpose—Part headings not law—2000 c 138:** See notes following RCW 39.04.155.

*Contracts with state department of transportation:* RCW 47.01.210.

*Emergency public works:* Chapter 39.28 RCW.

*Prevailing wages on public works:* Chapter 39.12 RCW.

*Public purchase preferences:* Chapter 39.24 RCW.

**54.04.080 Bids—Deposit—Low bidder claiming error—Contract—Bond—Definitions.** Any notice inviting sealed bids shall state generally the work to be done, or the material to be purchased and shall call for proposals for furnishing it, to be sealed and filed with the commission on or

before the time named therein. Each bid shall be accompanied by a certified or cashier's check, payable to the order of the commission, for a sum not less than five percent of the amount of the bid, or accompanied by a bid bond in an amount not less than five percent of the bid with a corporate surety licensed to do business in the state, conditioned that the bidder will pay the district as liquidated damages the amount specified in the bond unless he or she enters into a contract in accordance with his or her bid and furnishes the performance bond within ten days from the date on which he or she is notified that he or she is the successful bidder. A low bidder who claims error and fails to enter into a contract is prohibited from bidding on the same project if a second or subsequent call for bids is made for the project.

At the time and place named, the bids shall be publicly opened and read, and the commission shall canvass the bids, and may let the contract to the lowest responsible bidder upon the plans and specifications on file, or to the best bidder submitting his or her own plans or specifications; or if the contract to be let is to construct or improve electrical facilities, the contract may be let to the lowest bidder prequalified according to the provisions of RCW 54.04.085 upon the plans and specifications on file, or to the best bidder submitting his or her own plans and specifications: PROVIDED, That no contract shall be let for more than fifteen percent in excess of the estimated cost of the materials or work. The commission may reject all bids and readvertise, and in such case all checks shall be returned to the bidders. The commission may procure materials in the open market, have its own personnel perform the work or negotiate a contract for such work to be performed by others, in lieu of readvertising, if it receives no bid. If the contract is let, all checks shall be returned to the bidders, except that of the successful bidder, which shall be retained until a contract is entered into and a bond to perform the work furnished, with sureties satisfactory to the commission, in an amount to be fixed by the commission, not less than twenty-five percent of the contract price, in accordance with the bid. If the bidder fails to enter into the contract and furnish the bond within ten days from the date at which he or she is notified that he or her [she] is the successful bidder, his or her check and the amount thereof shall be forfeited to the district.

The commission shall, by resolution, define the term "same kind of materials, equipment, and supplies" with respect to purchase of items under the provisions of RCW 54.04.070.

The term "construction or improvement of any electrical facility" as used in this section and in RCW 54.04.085, shall mean the construction, the moving, maintenance, modification, or enlargement of facilities primarily used or to be used for the transmission or distribution of electricity at voltages above seven hundred fifty volts, including structures directly supporting transmission or distribution conductors but not including site preparation, housing, or protective fencing associated with but not included in a contract for such construction, moving, modification, maintenance, or enlargement of such facilities.

The commission shall be the final authority with regard to whether a bid is responsive to the call for bids and as to whether a bidder is a responsible bidder under the conditions of his or her bid. No award of contract shall be invalidated

solely because of the failure of any prospective bidder to receive an invitation to bid. [1996 c 18 § 12; 1972 ex.s. c 41 § 1; 1971 ex.s. c 220 § 3; 1955 c 124 § 3. Prior: 1951 c 207 § 3; 1931 c 1 § 8, part; RRS § 11612, part.]

**54.04.082 Alternative bid procedure.** For the awarding of a contract to purchase any item, or items of the same kind of materials, equipment, or supplies in an amount exceeding thirty thousand dollars per calendar month, but less than one hundred twenty thousand dollars per calendar month, exclusive of sales tax, the commission may, in lieu of the procedure described in RCW 54.04.070 and 54.04.080 requiring public notice to invite sealed proposals for such materials, equipment, or supplies, pursuant to commission resolution use the process provided in RCW 39.04.190. Waiver of the deposit or bid bond required under RCW 54.04.080 may be authorized by the commission in securing such bid quotations. [2019 c 434 § 14; 2008 c 216 § 3; 2002 c 72 § 1; 1995 c 354 § 1; 1993 c 198 § 15; 1977 ex.s. c 116 § 1.]

**Finding—Intent—2019 c 434:** See note following RCW 35.23.352.

**Findings—Intent—2008 c 216:** See note following RCW 54.04.070.

**54.04.085 Electrical facility construction or improvement—Bid proposals—Contract proposal forms—Conditions for issuance—Appeals.** A district shall require that bid proposals upon any construction or improvement of any electrical facility shall be made upon contract proposal form supplied by the district commission, and in no other manner. The district commission shall, before furnishing any person, firm or corporation desiring to bid upon any electrical work with a contract proposal form, require from such person, firm or corporation, answers to questions contained in a standard form of questionnaire and financial statement, including a complete statement of the financial ability and experience of such person, firm, or corporation in performing electrical work. Such questionnaire shall be sworn to before a notary public or other person authorized to take acknowledgment of deeds, and shall be submitted once a year and at such other times as the district commission may require. Whenever the district commission is not satisfied with the sufficiency of the answers contained in such questionnaire and financial statement or whenever the district commission determines that such person, firm, or corporation does not meet all of the requirements hereinafter set forth it may refuse to furnish such person, firm or corporation with a contract proposal form and any bid proposal of such person, firm or corporation must be disregarded. In order to obtain a contract proposal form, a person, firm or corporation shall have all of the following requirements:

- (1) Adequate financial resources, or the ability to secure such resources;
- (2) The necessary experience, organization, and technical qualifications to perform the proposed contract;
- (3) The ability to comply with the required performance schedule taking into consideration all of its existing business commitments;
- (4) A satisfactory record of performance, integrity, judgment and skills; and
- (5) Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

Such refusal shall be conclusive unless appeal therefrom to the superior court of the county where the utility district is situated or Thurston county be taken within fifteen days, which appeal shall be heard summarily within ten days after the same is taken and on five days' notice thereof to the district commission. [1971 ex.s. c 220 § 2.]

**54.04.090 Minimum wages.** Each contractor and subcontractor performing work for a public utility district or a local utility district within a public utility district shall pay or cause to be paid to its employees on the work or under the contract or subcontract, not less than the minimum scale fixed by the resolution of the commission prior to the notice and call for bids on the work. The commission, in fixing the minimum scale of wages, shall fix them as nearly as possible to the current prevailing wages within the district for work of like character. [1955 c 124 § 4. Prior: 1931 c 1 § 8, part; RRS § 11612, part.]

*Prevailing wages on public works: Chapter 39.12 RCW.*

**54.04.092 Application of RCW 54.04.070 through 54.04.090 to certain service provider agreements under chapter 70A.140 RCW.** RCW 54.04.070 through 54.04.090 shall not apply to agreements entered into under authority of chapter 70A.140 RCW provided there is compliance with the procurement procedure under RCW 70A.140.040. [2021 c 65 § 60; 1986 c 244 § 14.]

**Explanatory statement—2021 c 65:** See note following RCW 53.54.030.

**54.04.100 Wholesale power—Procedure as to rate filing—Definition—Duty to furnish to district.** Whenever a decree of public use and necessity heretofore has been or hereafter shall be entered in condemnation proceedings conducted by a public utility district for the acquisition of electrical distribution properties, or whenever it has executed a contract for the purchase of such properties, the district may cause to be filed with the utilities and transportation commission a copy of such contract or a certified copy of the decree, together with a petition requesting that the commission cause a rate to be filed with it for the sale of wholesale power to the district. Thereupon the utilities and transportation commission shall order that a rate be filed with the commission forthwith for the sale of wholesale power to such district. The term "wholesale power" means electric energy sold for purposes of resale. The commission shall have authority to enter such order as to any public service corporation which owns or operates the electrical distribution properties being condemned or purchased or as to any such corporation which owns or operates transmission facilities within a reasonable distance of such distribution properties and which engages in the business of selling wholesale power, pursuant to contract or otherwise. The rate filed shall be for the period of service specified by the district, or if the district does not specify a particular period, such rate shall apply from the commencement of service until the district terminates same by thirty days' written notice.

Upon reasonable notice, any such public service corporation shall furnish wholesale power to any public utility district owning or operating electrical distribution properties. Whenever a public service corporation shall furnish whole-

sale power to a district and the charge or rate therefor is reviewed by the commission, such reasonable rate as the commission finally may fix shall apply as to power thereafter furnished and as to that previously furnished under such charge or rate from the time that the complaint concerning the same shall have been filed by the commission or the district, as the case may be. [1983 c 4 § 5; 1945 c 130 § 2; Rem. Supp. 1945 § 10459-12. Formerly RCW 54.04.010, 54.04.100, and 54.04.110.]

**Purpose—1945 c 130:** "The legislature has found that the public utility districts of this state, including several which at the present moment are completing the acquisition of electrical properties and the sale of revenue bonds, have immediate need for this act, in order to effectuate timely arrangements for their wholesale power requirements, clarify their condemnation procedure, and plan their operations." [1945 c 130 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.04.120 Planning powers.** In order that the commissioners of a public utility district may be better able to plan for the marketing of power and for the development of resources pertaining thereto, they shall have the same powers as are vested in a board of county commissioners as provided in \*chapter 44, Laws of 1935 (sections 9322-2 to 9322-4, both inclusive, and 9322-10 to 9322-11 inclusive, Remington's Revised Statutes, also Pierce's Perpetual Code 776-3 to -7, 776-19 and -21), entitled: "An Act relating to city, town, county and regional planning and the creation, organization, duties and powers of planning commissions." For the purposes of such act, the president of a public utility district shall have the powers of the chair of the board of county commissioners, and a planning commission created hereunder shall have the same powers, enumerated in the above sections, with reference to a public utility district as a county planning commission has with reference to a county. However, this section shall not be construed to grant the power to adopt, regulate, or enforce comprehensive plans, zoning, land use, or building codes. [2010 c 8 § 17002; 1985 c 95 § 1; 1945 c 130 § 4; Rem. Supp. 1945 § 10459-14.]

**\*Reviser's note:** The portions of chapter 44, Laws of 1935 compiled as RRS §§ 9322-2 to 9322-4 and 9322-10 to 9322-11 are codified in RCW 35.63.020 through 35.63.070.

**Purpose—Severability—1945 c 130:** See notes following RCW 54.04.100.

**54.04.130 Employee benefit plans when private utility acquired—Rights, powers and duties as to existing private employee benefit plans.** Whenever any municipal corporation acquires by condemnation or otherwise any utility which at the time of acquisition is in private ownership and the employees of such private utility have been for at least two years and are at the time of acquisition covered by any plan for individual annuity contracts, retirement income policies, group annuity contracts, group insurance for the benefit of employees, or any other contract for the benefit of employees, such district shall, when the personnel is retained by the district, assume all of the obligations and liabilities of the private utility acquired with relation to such plan and the employees covered thereby at the time of acquisition; or the municipal corporation may by agreement with a majority of the employees affected substitute a plan or contract of the same or like nature. The municipal corporations acquiring such private utility shall proceed in such manner as is neces-

sary so as not to reduce or impair any benefits or privileges which such employees would have received or be entitled to had such acquisition not been effected. The district may pay all or any part of the premiums or other payments required therefor out of the revenue derived from the operation of its properties. [1961 c 139 § 1.]

**54.04.140 Employee benefit plans when private utility acquired—Admission to district's employee plan—Service credit—Contributions—Benefits.** Any person affected by RCW 54.04.130 who was employed by the private utility at the time of acquisition may, at his or her option, apply to the district and/or appropriate officers, for admission to any plan available to other employees of the district. Every such person who was covered at the time of acquisition by a plan with the private utility shall have added and accredited to his or her period of employment his or her period of immediately preceding continuous service with such private utility if he or she remains in the service of the municipal corporation until such plan for which he or she seeks admission becomes applicable to him or her.

No such person shall have added and accredited to his or her period of employment his or her period of service with said private utility unless he or she or a third party shall pay to the appropriate officer or fund of the plan to which he or she requests admission his or her contribution for the period of such service with the private utility at the rate provided in or for such plan to which he or she desires admission, or if he or she shall be entitled to any private benefits, as a result of such private service, unless he or she agrees at the time of his or her employment with the district to accept a reduction in the payment of any benefits payable under the plan to which he or she requests entry that are based in whole or in part on such added and accredited service by the amount of benefits received. For the purposes of contributions, the date of entry of service shall be deemed the date of entry into service with the private utility, which service is accredited by this section, and the amount of contributions for the period of accredited service shall be based on the wages or salary of such person during that added and accredited period of service with the private utility.

The district may receive such payments from a third party and shall make from such payments contributions with respect to such prior service as may be necessary to enable it to assume its obligations.

After such contributions have been made and such service added and accredited such employee shall be established in the plan to which he or she seeks admission with all rights, benefits, and privileges that he or she would have been entitled to had he or she been a member of the plan from the beginning of his or her immediately preceding continuous employment with the private utility or of his or her eligibility. [2010 c 8 § 17003; 1961 c 139 § 2.]

**54.04.150 Employee benefit plans when private utility acquired—Agreements and contracts—Prior rights preserved.** The municipal corporation may enter into any agreements and contracts necessary to carry out the powers and duties prescribed by RCW 54.04.130 and 54.04.140, but nothing in RCW 54.04.130 through 54.04.160 shall be so construed as requiring without consent the modification of

the obligation of any contract or as requiring any third party to modify the rights, privileges or obligations acquired or incurred under a prior agreement. [1961 c 139 § 3.]

**54.04.160 Assumption of obligations of private pension plan when urban transportation system acquired.** Any municipal corporation which has heretofore or shall hereafter acquire from a private owner any urban transportation system which at the time of such acquisition has or had in effect any pension or retirement system for its employees, shall assume all such obligations with respect to continued contributions to and/or administration of, such retirement system, as the private owner bore or shall bear at such time, insofar as shall be necessary to discharge accrued obligations under such retirement system to beneficiaries who are not thereafter made members of a municipal or state retirement system. [1961 c 139 § 4.]

**54.04.170 Collective bargaining authorized for employees.** Employees of public utility districts are hereby authorized and entitled to enter into collective bargaining relations with their employers with all the rights and privileges incident thereto as are accorded to similar employees in private industry. [1963 c 28 § 1.]

**54.04.180 Collective bargaining authorized for districts.** Any public utility district may enter into collective bargaining relations with its employees in the same manner that a private employer might do and may agree to be bound by the result of such collective bargaining. [1963 c 28 § 2.]

**54.04.190 Production and distribution of biodiesel, ethanol, and ethanol blend fuels—Crop purchase contracts for dedicated energy crops—Production and utilization of renewable natural gas and renewable hydrogen—Sale of renewable natural gas, green electrolytic hydrogen, or renewable hydrogen.** (1) In addition to any other authority provided by law, public utility districts are authorized to produce and distribute biodiesel, ethanol, and ethanol blend fuels, including entering into crop purchase contracts for a dedicated energy crop for the purpose of generating electricity or producing biodiesel produced from Washington feedstocks, cellulosic ethanol, and cellulosic ethanol blend fuels for use in internal operations of the electric utility and for sale or distribution.

(2) In addition to any other authority provided by law:

(a) Public utility districts are authorized to produce renewable natural gas, green electrolytic hydrogen, and renewable hydrogen and utilize the renewable natural gas, green electrolytic hydrogen, or renewable hydrogen they produce for internal operations.

(b) Public utility districts may sell renewable natural gas, green electrolytic hydrogen, or renewable hydrogen that is delivered into a gas transmission pipeline located in the state of Washington or delivered in pressurized containers:

(i) At wholesale;

(ii) To an end-use customer; or

(iii) If delivered in a pressurized container, or if the end-use customer takes delivery of the renewable natural gas, green electrolytic hydrogen, or renewable hydrogen through a pipeline, and the end-use customer is an eligible purchaser



of natural gas from sellers other than the gas company from which that end-use customer takes transportation service and:

(A) When the sale is made to an end-use customer in the state of Washington, the sale is made pursuant to a transportation tariff approved by the Washington utilities and transportation commission; or

(B) When the sale to an end-use customer is made outside of the state of Washington, the sale is made pursuant to a transportation tariff approved by the state agency which regulates retail sales of natural gas.

(c) Public utility districts may sell renewable natural gas, green electrolytic hydrogen, or renewable hydrogen at wholesale or to an end-use customer through a pipeline directly from renewable natural gas, green electrolytic hydrogen, or renewable hydrogen production facilities to facilities that compress, liquefy, or dispense compressed natural gas, liquefied natural gas, green electrolytic hydrogen, or renewable hydrogen fuel for end use as a transportation fuel.

(d) Public utility districts may sell green electrolytic hydrogen or renewable hydrogen at wholesale or to an end-use customer in pressurized containers directly from green electrolytic hydrogen or renewable hydrogen production facilities to facilities that utilize green electrolytic hydrogen or renewable hydrogen as a nonutility related input for a manufacturing process.

(3) Except as provided in subsection (2)(b)(iii) of this section, nothing in this section authorizes a public utility district to sell renewable natural gas, green electrolytic hydrogen, or renewable hydrogen delivered by pipeline to an end-use customer of a gas company.

(4)(a) Except as provided in this subsection (4), nothing in this section authorizes a public utility district to own or operate natural gas distribution pipeline systems used to serve retail customers.

(b) For the purposes of subsection (2)(b) of this section, public utility districts are authorized to own and operate interconnection pipelines that connect renewable natural gas, green electrolytic hydrogen, or renewable hydrogen production facilities to gas transmission pipelines.

(c) For the purposes of subsection (2)(c) of this section, public utility districts may own and/or operate pipelines to supply, and/or compressed natural gas, liquefied natural gas, green electrolytic hydrogen, or renewable hydrogen facilities to provide, renewable natural gas, green electrolytic hydrogen, or renewable hydrogen for end use as a transportation fuel if all such pipelines and facilities are located in the county in which the public utility district is authorized to provide utility service.

(5) Exercise of the authorities granted under this section to public utility districts does not subject them to the jurisdiction of the utilities and transportation commission, except that public utility districts are subject only to administration and enforcement by the commission of state and federal requirements related to pipeline safety and fees payable to the commission that are applicable to such administration and enforcement.

(6) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Green electrolytic hydrogen" means hydrogen produced through electrolysis, and does not include hydrogen manufactured using steam reforming or any other conversion

technology that produces hydrogen from a fossil fuel feedstock.

(b) "Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.

(c) "Renewable hydrogen" means hydrogen produced using renewable resources both as the source for the hydrogen and the source for the energy input into the production process.

(d) "Renewable resource" means: (i) Water; (ii) wind; (iii) solar energy; (iv) geothermal energy; (v) renewable natural gas; (vi) renewable hydrogen; (vii) wave, ocean, or tidal power; (viii) biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests; or (ix) biomass energy.

(e) "Gas company" has the same meaning as in RCW 80.04.010. [2022 c 292 § 404; 2019 c 24 § 1; 2015 c 31 § 1; 2007 c 348 § 210.]

**Findings—Intent—2022 c 292:** See note following RCW 43.330.565.

**Findings—2007 c 348:** See RCW 43.325.005.

## Chapter 54.08 RCW

### FORMATION—DISSOLUTION—ELECTIONS

#### Sections

54.08.001	Actions subject to review by boundary review board.
54.08.010	Districts including entire county or less—Procedure.
54.08.041	Formation election expenses.
54.08.050	Validity of district, questioning of.
54.08.060	Special election for formation of district and first commissioners—Terms.
54.08.070	Construction or acquisition of electric facilities for generation, transmission, or distribution of power—When voter approval required—Election.
54.08.080	Dissolution.

**54.08.001 Actions subject to review by boundary review board.** Actions taken under chapter 54.08 RCW may be subject to potential review by a boundary review board under chapter 36.93 RCW. [1989 c 84 § 47.]

**54.08.010 Districts including entire county or less—Procedure.** At any general election held in an even-numbered year, the county legislative authority of any county in this state may, or, on petition of ten percent of the qualified electors of the county based on the total vote cast in the last general county election held in an even-numbered year, shall, by resolution, submit to the voters of the county the proposition of creating a public utility district which shall be coextensive with the limits of the county as now or hereafter established. A form of petition for the creation of a public utility district shall be submitted to the county auditor within ten months prior to the election at which the proposition is to be submitted to the voters. Petitions shall be filed with the county auditor not less than four months before the election and the county auditor shall within thirty days examine the signatures thereof and certify to the sufficiency or insufficiency thereof. If the 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 or her

certificate thereto. No person having signed the petition shall be allowed to withdraw his or her name therefrom after the filing of the same with the county auditor: PROVIDED, That each signature shall be dated and that no signature dated prior to the date on which the form of petition was submitted to the county auditor shall be valid. Whenever the petition shall be certified to as sufficient, the county auditor shall forthwith transmit the same, together with his or her certificate of sufficiency attached thereto, to the county legislative authority which shall submit the proposition to the voters of the county at the next general election in an even-numbered year according to RCW 29A.04.330. 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 question to the voters for their approval or rejection, the proposition shall be expressed on the ballot substantially in the following terms:

Public Utility District No. . . . . YES   
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 county legislative authority 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 the petition will be heard. The publication, and all other publications required by chapter 1, Laws of 1931, shall be in a newspaper of general circulation in the county in which the district is situated. The hearing on the petition may be adjourned from time to time, not exceeding four weeks in all. If upon the final hearing the county legislative authority 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, it 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 boundaries described in the petition, except upon the written request of the owners of those lands. Thereafter the same procedure shall be followed as prescribed in this chapter 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.

No public utility district created after September 1, 1979, shall include any other public utility district within its boundaries: PROVIDED, That this paragraph shall not alter, amend, or modify provisions of chapter 54.32 RCW. [2010 c 8 § 17004; 2006 c 344 § 36; 1985 c 469 § 55; 1979 ex.s. c 240 § 1; 1977 c 53 § 1; 1931 c 1 § 3; RRS § 11607. Formerly RCW 54.08.010 and 54.08.020.]

Elections: Title 29A RCW.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.08.041 Formation election expenses.** 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. [1969 c 106 § 2.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.08.050 Validity of district, questioning of.** The existence of any public utility district now or hereafter formed under chapter 1, Laws of 1931, cannot hereafter be legally questioned by any person except the state of Washington in an appropriate court action brought within six months from the date that the county election board shall have canvassed the returns of the election held on the proposition of creating such district. If the existence of a district is not challenged within the period above specified, by the filing and service of petition or complaint in the action aforesaid, the state of Washington thereafter shall be barred forever from questioning the legal existence and validity of such district by reason of any defect in the organization thereof, and the same shall be deemed duly and regularly organized under the laws of this state. [1941 c 245 § 10; Rem. Supp. 1941 § 11616-7.]

**54.08.060 Special election for formation of district and first commissioners—Terms.** Whenever a proposition for the formation of a public utility district is to be submitted to voters in any county, the county legislative authority may by resolution call a special election, and at the request of petitioners for the formation of such district contained in the petition shall do so and shall provide for holding the same at the earliest practicable time. If the boundaries of the proposed district embrace an area less than the entire county, such election shall be confined to the area so included. The notice of such election shall state the boundaries of the proposed district and the object of such election; in other respects, such election shall be held and called in the same manner as provided by law for the holding and calling of general elections: PROVIDED, That notice thereof shall be given for not less than ten days nor more than thirty days prior to such special election. In submitting the proposition to the voters for their approval or rejection, such proposition shall be expressed on the ballots in substantially the following terms:

Public Utility District No. . . . . YES  
Public Utility District No. . . . . NO

At the same special election on the proposition to form a public utility district, there shall also be an election for three public utility district commissioners. However, the election of such commissioners shall be null and void if the proposition to form the public utility district does not receive approval by a majority of the voters voting on the proposition. No primary shall be held. A special filing period shall be opened as provided in RCW 29A.24.171 and 29A.24.181. The person receiving the greatest number of votes for the commissioner of each commissioner district shall be elected as the commissioner of that district. Commissioner districts

shall be established as provided in RCW 54.12.010. The terms of the initial commissioners shall be staggered as follows: (1) The person who is elected receiving the greatest number of votes shall be elected to a six-year term of office if the election is held in an even-numbered year or a five-year term if the election is held in an odd-numbered year; (2) the person who is elected receiving the next greatest number of votes shall be elected to a four-year term of office if the election is held in an even-numbered year or a three-year term of office if the election is held in an odd-numbered year; and (3) the other person who is elected shall be elected to a two-year term of office if the election is held in an even-numbered year or a one-year term of office if the election is held in an odd-numbered year. The commissioners first to be elected at such special election shall assume office immediately when they are elected and qualified, but the length of their terms of office shall be calculated from the first day in January in the year following their elections.

The term "general election" as used herein means biennial general elections at which state and county officers in a noncharter county are elected. [2015 c 53 § 85; 1994 c 223 § 55; 1979 ex.s. c 126 § 36; 1951 c 207 § 5.]

**Purpose—1979 ex.s. c 126:** See RCW 29A.60.280(1).

*Elections: Title 29A RCW.*

**54.08.070 Construction or acquisition of electric facilities for generation, transmission, or distribution of power—When voter approval required—Election.** Any district which does not own or operate electric facilities for the generation, transmission, or distribution of electric power on March 25, 1969, or any district which hereafter does not construct or acquire such electric facilities within ten years of its creation, shall not construct or acquire any such electric facilities without the approval of such proposal by the voters of such district: PROVIDED, That a district shall have the power to construct or acquire electric facilities within ten years following its creation by action of its commission without voter approval of such action.

At any general election held in an even-numbered year, the proposal to construct or acquire electric facilities may be submitted to the voters of the district by resolution of the public utility district commission or shall be submitted to the voters of the district by the county legislative authority on petition of ten percent of the qualified electors of such district, based on the total vote cast in the last general county election held in an even-numbered year. A form of petition for the construction or acquisition of electric facilities by the public utility district shall be submitted to the county auditor within ten months prior to the election at which such proposition is to be submitted to the voters. Petitions shall be filed with the county auditor not less than four months before such election and the county auditor shall within thirty days examine the signatures thereof and certify to the sufficiency or insufficiency thereof. If such petition is found to be insufficient, it shall be returned to the persons filing the same, who may amend and 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 or her certificate thereto. No person having signed such petition shall be allowed to withdraw his or her name therefrom after the filing of the same with the county auditor: PROVIDED,

(2022 Ed.)

That each signature shall be dated and that no signature dated prior to the date on which the form of petition was submitted to the county auditor shall be valid. Whenever such petition shall be certified to as sufficient, the county auditor shall forthwith transmit the same, together with his or her certificate of sufficiency attached thereto, to the county legislative authority which shall submit such proposition to the voters of said district at the next general election in an even-numbered year according to RCW 29A.04.330. The notice of the election shall state the object of such election, and shall in other respects conform to the requirements of the general laws of Washington, governing the time and manner of holding elections.

The proposal submitted to the voters for their approval or rejection, shall be expressed on the ballot substantially in the following terms:

Shall Public Utility District No. . . . . of . . . . . County construct or acquire electric facilities for the generation, transmission or distribution of electric power?

Yes

No

Within ten 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 on such proposition shall vote in favor of such construction or acquisition of electric facilities, the district shall be authorized to construct or acquire electric facilities. [2010 c 8 § 17005; 2006 c 344 § 37; 1979 ex.s. c 240 § 2; 1969 c 106 § 3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.08.080 Dissolution.** Any district now or hereafter created under the laws of this state may be dissolved, as hereinafter provided, by a majority vote of the qualified electors of such district at any general election upon a resolution of the district commission, or upon petition being filed and such proposition for dissolution submitted to said electors in the same manner provided by chapter 54.08 RCW for the creation of public utility districts. The returns of the election on such proposition for dissolution shall be canvassed and the results declared in the same manner as is provided by RCW 54.08.010: PROVIDED, HOWEVER, That any such proposition to dissolve a district shall not be submitted to the electors if within five years prior to the filing of such petition or resolution such district has undertaken any material studies or material action relating to the construction or acquisition of any utility properties or if such district at the time of the submission of such proposition is actually engaged in the operation of any utility properties.

If a majority of the votes cast at the election favor dissolution, the commission of the district shall petition, without any filing fee, the superior court of the county in which such district is located for an order authorizing the payment of all indebtedness of the district and directing the transfer of any surplus funds or property to the general fund of the county in which such district is organized. [1969 c 106 § 4.]

*Dissolution of special purpose districts: Chapters 36.96 and 53.48 RCW.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

## Chapter 54.12 RCW COMMISSIONERS

### Sections

54.12.010	Exercise of power by commissioners—Number—Districts—Terms—Vacancies—Adjustment of boundaries.
54.12.080	Compensation and expenses—Group insurance.
54.12.090	President—Secretary—Rules—Seal—Minutes.
54.12.100	Oath or affirmation.
54.12.110	Electrical utilities—Civil immunity of commissioners and employees for good faith mistakes and errors of judgment.

*Redistricting by local governments and municipal corporations—Census information for—Plan, prepared when, criteria for, hearing on, request for review of, certification, remand—Sanctions when review request frivolous: RCW 29A.76.010.*

**54.12.010 Exercise of power by commissioners—Number—Districts—Terms—Vacancies—Adjustment of boundaries.** A public utility district that is created as provided in RCW 54.08.010 shall be a municipal corporation of the state of Washington, and the name of such public utility district shall be Public Utility District No. . . . . of . . . . . County.

The powers of the public utility district shall be exercised through a commission consisting of three members in three commissioner districts, and five members in five commissioner districts.

(1) If the public utility district is countywide and the county has three county legislative authority districts, then, at the first election of commissioners and until any change is made in the boundaries of public utility district commissioner districts, one public utility district commissioner shall be chosen from each of the three county legislative authority districts.

(2) If the public utility district comprises only a portion of the county, with boundaries established in accordance with chapter 54.08 RCW, or if the public utility district is countywide and the county does not have three county legislative authority districts, three public utility district commissioner districts, numbered consecutively, each with approximately equal population and following precinct lines, as far as practicable, shall be described in the petition for the formation of the public utility district, subject to appropriate change by the county legislative authority if and when it changes the boundaries of the proposed public utility district. One commissioner shall be elected as a commissioner of each of the public utility district commissioner districts.

(3) Only a registered voter who resides in a commissioner district may be a candidate for, or hold office as, a commissioner of the commissioner district. Only voters of a commissioner district may vote at a primary to nominate candidates for a commissioner of the commissioner district. Voters of the entire public utility district may vote at a general election to elect a person as a commissioner of the commissioner district.

(4) The term of office of each public utility district commissioner other than the commissioners at large shall be six years, and the term of each commissioner at large shall be four years. Each term shall be computed in accordance with RCW 29A.60.280 following the commissioner's election. All public utility district commissioners shall hold office until their successors shall have been elected and have qualified and assume office in accordance with RCW 29A.60.280.

(5) A vacancy in the office of public utility district commissioner shall occur as provided in chapter 42.12 RCW or by nonattendance at meetings of the public utility district commission for a period of sixty days unless excused by the public utility district commissioner. Vacancies on a board of public utility district commissioners shall be filled as provided in chapter 42.12 RCW.

(6) The boundaries of the public utility district commissioner districts may be changed only by the public utility district commission or by a court order issued pursuant to RCW 29A.92.110, and shall be examined every ten years to determine substantial equality of population in accordance with chapter 29A.76 RCW. Except as provided in this section, RCW 29A.92.110, RCW 54.04.039, or in the case of an intervening census, the boundaries shall not be changed more often than once in four years. Boundaries may only be changed when all members of the commission are present. Whenever territory is added to a public utility district under RCW 54.04.035, or added or withdrawn under RCW 54.04.039, the boundaries of the public utility commissioner districts shall be changed to include the additional or exclude the withdrawn territory. Unless the boundaries are changed pursuant to RCW 54.04.039, the proposed change of the boundaries of the public utility district commissioner district must be made by resolution and after public hearing. Notice of the time of the public hearing shall be published for two weeks before the hearing. Upon a referendum petition signed by ten percent of the qualified voters of the public utility district being filed with the county auditor, the county legislative authority shall submit the proposed change of boundaries to the voters of the public utility district for their approval or rejection. The petition must be filed within ninety days after the adoption of resolution of the proposed action. The validity of the petition is governed by the provisions of chapter 54.08 RCW. [2018 c 113 § 210; 2004 c 113 § 1; 1994 c 223 § 56; 1990 c 59 § 109; 1987 c 292 § 1; 1979 ex.s. c 126 § 37; 1977 ex.s. c 36 § 8; 1977 c 53 § 2; 1969 c 106 § 1; 1959 c 265 § 9; 1941 c 245 § 4; 1931 c 1 § 4; Rem. Supp. 1941 § 11608. Formerly RCW 54.08.030, 54.08.040, 54.12.010 through 54.12.070.]

**Findings—Intent—Short title—2018 c 113:** See RCW 29A.92.005 and 29A.92.900.

**Intent—Effective date—1990 c 59:** See notes following RCW 29A.04.013.

**Purpose—1979 ex.s. c 126:** See RCW 29A.60.280(1).

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.12.080 Compensation and expenses—Group insurance.** (1) Commissioners of public utility districts shall receive salaries as follows:

(a) Each public utility district commissioner of a district operating utility properties shall receive a salary of one thousand eight hundred dollars per month, as adjusted for inflation by the office of financial management in subsection (6) of this section, during a calendar year if the district received total gross revenue of over fifteen million dollars during the fiscal year ending June 30th before the calendar year.

(b) Each public utility district commissioner of a district operating utility properties shall receive a salary of one thousand three hundred dollars per month, as adjusted for inflation by the office of financial management in subsection (6)

of this section, during a calendar year if the district received total gross revenue of from two million dollars to fifteen million dollars during the fiscal year ending June 30th before the calendar year.

(c) Commissioners of other districts shall receive a salary of six hundred dollars per month, as adjusted for inflation by the office of financial management in subsection (6) of this section, for each commissioner.

(2) In addition to salary, all districts shall provide for the payment of per diem compensation to each commissioner at a rate of ninety dollars, as adjusted for inflation by the office of financial management in subsection (6) of this section, for each day or portion thereof spent in actual attendance at official meetings of the district commission or in performance of other official services or duties on behalf of the district, to include meetings of the commission of his or her district or meetings attended by one or more commissioners of two or more districts called to consider business common to them, but such compensation paid during any one year to a commissioner shall not exceed twelve thousand six hundred dollars, as adjusted for inflation by the office of financial management in subsection (6) of this section. Per diem compensation shall not be paid for services of a ministerial or professional nature.

(3) Any commissioner may waive all or any portion of his or her compensation payable under this section as to any month or months during his or her term of office, by a written waiver filed with the district as provided in this section. The waiver, to be effective, must be filed any time after the commissioner's election and prior to the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

(4) Each district commissioner shall be reimbursed for reasonable expenses actually incurred in connection with such business and meetings, including his or her subsistence and lodging and travel while away from his or her place of residence.

(5) Any district providing group insurance for its employees, covering them, their immediate family, and dependents, may provide insurance for its commissioner with the same coverage.

(6) The dollar thresholds for salaries and per diem compensation established in this section must be adjusted for inflation by the office of financial management every five years, beginning January 1, 2024, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, for Washington state, for wage earners and clerical workers, all items, compiled by the bureau of labor and statistics, United States department of labor. If the bureau of labor and statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the adjustments for inflation in this section. The office of financial management must calculate the new dollar threshold and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

(2022 Ed.)

(7) A person holding office as commissioner for two or more special purpose districts shall receive only that per diem compensation authorized for one of his or her commissioner positions as compensation for attending an official meeting or conducting official services or duties while representing more than one of his or her districts. However, such commissioner may receive additional per diem compensation if approved by resolution of all boards of the affected commissions. [2020 c 83 § 4; 2010 c 58 § 1; 2008 c 218 § 1; 2007 c 469 § 4; 1998 c 121 § 4; 1997 c 28 § 1; 1985 c 330 § 4; 1977 ex.s. c 157 § 1; 1969 c 106 § 5; 1967 c 161 § 1; 1957 c 140 § 2; 1955 c 124 § 5; 1951 c 207 § 4. Prior: (i) 1931 c 1 § 8, part; RRS § 11612, part. (ii) 1941 c 245 § 6; Rem. Supp. 1941 § 11616-5.]

*Group employee insurance: RCW 54.04.050.*

*Hospitalization and medical insurance not deemed additional compensation: RCW 41.04.190.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.12.090 President—Secretary—Rules—Seal—Minutes.** The commission shall elect from its members, a president and secretary, and shall, by resolution, adopt rules governing the transaction of district business, and adopt an official seal. All proceedings of the commission shall be by motion or resolution, recorded in its minute books, which shall be public records.

A majority of the members shall constitute a quorum of the commission for the transaction of business. The concurrence of a majority of the whole commission in office at the time shall be necessary for the passage of any resolution, and no business shall be transacted, except in usual and ordinary course, unless there are in office at least a majority of the full number of commissioners as fixed by law.

The commission may create and fill such positions and fix salaries and bonds thereof as it may provide by resolution. [1955 c 124 § 6. Prior: 1931 c 1 § 8, part; RRS § 11612, part.]

**54.12.100 Oath or affirmation.** Each commissioner before he or she enters upon the duties of his or her office shall take and subscribe an oath or affirmation that he or she will faithfully and impartially discharge the duties of his or her office to the best of his or her ability. This oath, or affirmation, shall be administered and certified by an officer of the county in which the district is situated, who is authorized to administer oaths, without charge therefor. The oath or affirmation shall be filed with the county auditor. [2010 c 8 § 17006; 1986 c 167 § 23; 1959 c 265 § 10.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.12.110 Electrical utilities—Civil immunity of commissioners and employees for good faith mistakes and errors of judgment.** Commissioners and employees of public utility districts shall be immune from civil liability for mistakes and errors of judgment in the good faith performance of acts within the scope of their official duties involving the exercise of judgment and discretion which relate solely to their responsibilities for electrical utilities. This grant of immunity shall not be construed as modifying the liability of the public utility district. [1983 1st ex.s. c 48 § 2.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

## Chapter 54.16 RCW POWERS

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*Deferral of special assessments: Chapter 84.38 RCW.*

*Special benefit assessments—Property taxes—Exemptions: RCW 84.34.300 through 84.34.380.*

**54.16.005 Definitions.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Broadband infrastructure" means networks of deployed telecommunications equipment and technologies necessary to provide high-speed internet access and other advanced telecommunications services.

(2) "Commission" means the Washington utilities and transportation commission.

(3) "District commission" means the governing board of a public utility district.

(4) "Retail telecommunications services" means the sale, lease, license, or indivisible right of use of telecommunications services or telecommunications facilities directly to end users.

(5) "Telecommunications" has the same meaning as defined in RCW 80.04.010.

(6) "Telecommunications facilities" means lines, conduits, ducts, poles, wires, cables, crossarms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property, and routes used, operated, owned, or controlled by any entity to facilitate the provision of telecommunications services.

(7) "Wholesale telecommunications services" means the provision of telecommunications services or telecommunications facilities for resale to an entity that provides retail telecommunications services. [2021 c 294 § 1; 2000 c 81 § 2.]

**Short title—2021 c 294:** See note following RCW 54.16.330.

**Findings—2000 c 81:** See note following RCW 53.08.005.

### 54.16.010 Surveys, plans, investigations, or studies.

A district may make surveys, plans, investigations or studies for generating electric energy by water power, steam, or other methods, and for systems and facilities for the generation, transmission or distribution thereof, and for domestic and industrial water supply and irrigation, and for matters and purposes reasonably incidental thereto, within or without the district, and 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 coordinated to make a complete and systematic whole. [1969 c 106 § 6; 1955 c 390 § 2. Prior: 1945 c 143 § 1(a); 1931 c 1 § 6(a); Rem. Supp. 1945 § 11610(a).]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.020 Acquisition of property and rights—Eminent domain.** A district may 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; plants, 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 may exercise the right of eminent domain to effectuate the foregoing purposes or for the acquisition and damaging of such property and rights, 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 all persons and municipalities. The right of eminent domain shall be exercised pursuant to resolution of the commission and conducted in the same manner and by the same procedure as is provided for the exercise of that power by cities and towns of the state in the acquisition of like property and property rights. It shall be no defense to a condemnation proceeding that a portion of the electric current generated or sold by the district will be applied to private purposes, if the principal uses intended are public: PROVIDED, That no public utility owned by a city or town shall be condemned, and none shall be purchased without submission of the question to the voters of the utility district. In a condemnation proceeding, the court shall submit to the jury the values placed upon the property by the taxing authority for taxation purposes, and in respect to property, plants, and facilities of persons using public highways for furnishing public service without franchises, shall consider in determining the value thereof the fact that the property, plants, and facilities are subject to be removed from the highways by reason of being so operated without a franchise. [1955 c 390 § 3. Prior: 1945 c 143 § 1(b); 1931 c 1 § 6(b); Rem. Supp. 1945 § 11610(b).]

*Eminent domain: State Constitution Art. 1 § 16 (Amendment 9).*

*Eminent domain by cities: Chapter 8.12 RCW.*

**54.16.030 Water and irrigation works.** A district may construct, purchase, condemn and purchase, acquire, add to, maintain, conduct, and operate waterworks and irrigation plants and systems, within or without its limits, for the purpose of furnishing the district, and the inhabitants thereof, and of the county in which the district is located, and any other persons including public and private corporations within or without the limits of the district or the county, with an ample supply of water for all 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. [1999 c 154 § 1; 1998 c 49 § 1; 1955 c 390 § 4. Prior: 1945 c 143 § 1(c); 1931 c 1 § 6(c); Rem. Supp. 1945 § 11610(c).]

**54.16.032 Authority to assist customers in the acquisition of water conservation equipment—Limitations.** Any district is hereby authorized, within limits established by the Constitution of the state of Washington, to assist the owners of structures in financing the acquisition and installation of fixtures, systems, and equipment, for compensation or otherwise, for the conservation or more efficient use of water in the structures under a water conservation plan adopted by the district if the cost per unit of water saved or conserved by the

use of the fixtures, systems, and equipment is less than the cost per unit of water supplied by the next least costly new water source available to the district to meet future demand. Except where otherwise authorized, assistance shall be limited to:

(1) Providing an inspection of the structure, either directly or through one or more inspectors under contract, to determine and inform the owner of the estimated cost of purchasing and installing conservation fixtures, systems, and equipment for which financial assistance will be approved and the estimated life-cycle savings to the water system and the consumer that are likely to result from the installation of the fixtures, systems, or equipment;

(2) Providing a list of businesses that sell and install the fixtures, systems, and equipment within or in close proximity to the service area of the city or town, each of which businesses shall have requested to be included and shall have the ability to provide the products in a workmanlike manner and to utilize the fixtures, systems, and equipment in accordance with the prevailing national standards;

(3) Arranging to have approved conservation fixtures, systems, and equipment installed by a private contractor whose bid is acceptable to the owner of the structure and verifying the installation; and

(4) Arranging or providing financing for the purchase and installation of approved conservation fixtures, systems, and equipment. The fixtures, systems, and equipment shall be purchased or installed by a private business, the owner, or the utility.

Pay back shall be in the form of incremental additions to the utility bill, billed either together with use charge or separately. Loans shall not exceed two hundred forty months in length. [2009 c 416 § 2; 1989 c 421 § 4.]

**Intent—Contingent effective date—1989 c 421:** See notes following RCW 35.92.017.

**54.16.035 Provision of water service beyond district subject to review by boundary review board.** The provision of water service beyond the boundaries of a public utility district may be subject to potential review by a boundary review board under chapter 36.93 RCW. [1989 c 84 § 48.]

**54.16.040 Electric energy.** A district may purchase, within or without its limits, electric current for sale and distribution within or without its limits, and 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 the district, and the inhabitants thereof and any other persons, 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 utilities and transportation commission, in all things, together with the right to purchase, handle, sell, or lease motors, lamps, transformers and all other kinds of equipment and accessories necessary and convenient for the use, distribution, and sale thereof: PROVIDED, That the commission shall not supply water to a privately owned util-

ity for the production of electric energy, but may supply, directly or indirectly, to an instrumentality of the United States government or any publicly or privately owned public utilities which sell electric energy or water to the public, any amount of electric energy or water under its control, and contracts therefor shall extend over such period of years and contain such terms and conditions for the sale thereof as the commission of the district shall elect; such contract shall only be made pursuant to a resolution of the commission authorizing such contract, which resolution shall be introduced at a meeting of the commission at least ten days prior to the date of the adoption of the resolution: PROVIDED FURTHER, That it shall first make adequate provision for the needs of the district, both actual and prospective. [1955 c 390 § 5. Prior: 1945 c 143 § 1(d); 1931 c 1 § 6(d); Rem. Supp. 1945 § 11610(d).]

*Joint operating agency: RCW 43.52.360.*

*Reduced utility rates for low-income senior citizens and other low-income citizens: RCW 74.38.070.*

*Right of city or town to acquire electrical distribution property from P.U.D.: RCW 35.92.054.*

**54.16.050 Water rights.** A district may take, condemn and purchase, purchase and acquire any 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, transmission lines, and all other facilities necessary or convenient, and, in connection with the construction, maintenance, or operation of any such utilities, may 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, public or private, navigable or nonnavigable, or held, owned, or used by the state, or any subdivision thereof, or by any person for any public or private use, or any underflowing water within the state; and the district may erect, 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 pipelines, dams, or waterworks or other necessary structures in storing, retaining, and distributing water, or for any other purpose authorized hereunder, the district may occupy and use the beds and shores up to the high water mark of any such lake, river, or watercourse, and acquire by purchase or by condemnation and purchase, or otherwise, any water, water rights, easements, or privileges named herein or necessary for any of such purposes, and a district may acquire by purchase, or condemnation and purchase, or otherwise, any lands, property, or privileges necessary to protect the water supply of the district from pollution: PROVIDED, That should private property be necessary for any of its purposes, or for storing water above high water mark, the district may condemn and purchase, or purchase and acquire such private property. [1955 c 390 § 6. Prior: 1945 c 143 § 1(e), part; 1931 c 1 § 6(e), part; Rem. Supp. 1945 § 11610(e), part.]

*Water rights: Title 90 RCW.*

**54.16.060 Intertie lines.** A district may build and maintain intertie 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 connect with the power plants and distribution systems owned by any municipal corporation in the district, and from any such intertie line, sell electric energy to any person, public utility district, city, town or other corporation, public or private, and, by means of transmission or pole lines, conduct electric energy from the place of production to the point of distribution, and construct and lay aqueducts, pipe or pole lines, and transmission lines along and upon public highways, roads, and streets, and condemn and purchase, purchase or acquire, lands, franchises, and rights-of-way necessary therefor. [1955 c 390 § 7. Prior: 1945 c 143 § 1(e), part; 1931 c 1 § 6(e), part; Rem. Supp. 1945 § 11610(e), part.]

**54.16.070 District may borrow money, contract indebtedness, issue bonds or obligations—Guaranty fund.** (1) A district may contract indebtedness or borrow money for any corporate purpose on its credit or on the revenues of its public utilities, and to evidence such indebtedness may issue general obligation bonds or revenue obligations; may issue and sell local utility district bonds of districts created by the commission, and may purchase with surplus funds such local utility district bonds, and may create a guaranty fund to insure prompt payment of all local utility district bonds. The general obligation bonds shall be issued and sold in accordance with chapter 39.46 RCW. A district is authorized to establish lines of credit or make other prearranged agreements, or both, to borrow money with any financial institution.

(2) Notwithstanding subsection (1) of this section, such revenue obligations and local utility district bonds may be issued and sold in accordance with chapter 39.46 RCW. [1991 c 74 § 1; 1984 c 186 § 44; 1983 c 167 § 144; 1959 c 218 § 1; 1955 c 390 § 8. Prior: 1945 c 143 § 1(f); 1931 c 1 § 6(f); Rem. Supp. 1945 § 11610(f).]

**Purpose—1984 c 186:** See note following RCW 39.46.110.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.080 Levy and collection of taxes—Tax anticipation warrants.** A district may raise revenue by the levy of an annual tax on all taxable property within the district, not exceeding forty-five cents per thousand dollars of assessed value 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 it in its records, on or before the first Monday in September. Notice of the filing of the proposed budget and the date and place of hearing thereon shall be published for at least two consecutive weeks in a newspaper printed and of general circulation in the county. On the first Monday in October, the commission shall hold a public hearing on the proposed budget at which any taxpayer may appear and be heard against the whole or any part thereof. Upon the conclusion of the 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 officer of the county in which the district is located in the same manner as provided for the certification and collection of port district taxes. The commission may, prior to the receipt of taxes raised by levy, borrow money or issue



warrants of the district in anticipation of the revenue to be derived from the levy or taxes for district purposes, and the warrants shall be redeemed from the first money available from such taxes. The warrants shall not exceed the anticipated revenue of one year, and shall bear interest at a rate determined by the commission. [1981 c 156 § 18; 1973 1st ex.s. c 195 § 60; 1955 c 390 § 9. Prior: 1945 c 143 § 1(g); 1931 c 1 § 6(g); Rem. Supp. 1945 § 11610(g).]

*Application of one percentum levy limitation to public utility district: State Constitution Art. 7 § 2 and RCW 84.52.050.*

*Collection of taxes by port districts: RCW 53.36.020.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.083 Community revitalization financing—Public improvements.** In addition to other authority that a public utility district possesses, a public utility district may provide any public improvement as defined under RCW 39.89.020, but this additional authority is limited to participating in the financing of the public improvements as provided under RCW 39.89.050.

This section does not limit the authority of a public utility district to otherwise participate in the public improvements if that authority exists elsewhere. [2001 c 212 § 19.]

**54.16.085 Interfund loans.** A public utility district may make and repay interfund loans between its funds. [1987 c 18 § 2.]

**54.16.090 Contracts with other agencies or utilities—Gifts, etc.—Employees and experts—Advancements.** A district may enter into any contract or agreement with the United States, or any state, municipality, or other utility district, or any department of those entities, or with any cooperative, mutual, consumer-owned utility, or with any investor-owned utility or with an association of any of such utilities, for carrying out any of the powers authorized by this title.

It may acquire by gift, devise, bequest, lease, or purchase, real and personal property necessary or convenient for its purposes, or for any local district therein.

It may make contracts, employ engineers, attorneys, and other technical or professional assistance; print and publish information or literature; advertise or promote the sale and distribution of electricity or water and do all other things necessary to carry out the provisions of this title.

It may advance funds, jointly fund or jointly advance funds for surveys, plans, investigations, or studies as set forth in RCW 54.16.010, including costs of investigations, design and licensing of properties and rights of the type described in RCW 54.16.020, including the cost of technical and professional assistance, and for the advertising and promotion of the sale and distribution of electricity or water. [1969 c 106 § 7; 1955 c 390 § 10. Prior: 1945 c 143 § 1(h), (i), (j), part; 1931 c 1 § 6(h), (i), (j), part; Rem. Supp. 1945 § 11610(h), (i), (j), part.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.092 Employment interview expenses.** When a district commission finds that a vacancy for a technical or managerial position requires special qualifications or entails responsibilities and duties of such a nature that substantial benefits will accrue to the district from personal interviews of

candidates for such a vacancy to be held in the district, the district commission, by resolution adopted at a regular meeting, may authorize the payment of actual necessary travel and living expenses of such candidates incurred while in travel status. [1975 1st ex.s. c 140 § 1.]

*Special purpose districts, expenditures to recruit job candidates: RCW 42.24.170.*

**54.16.095 Liability insurance for officials and employees.** The board of commissioners of each public utility district may purchase liability insurance with such limits as they may deem reasonable for the purpose of protecting their officials and employees against liability for personal or bodily injuries and property damage arising from their acts or omissions while performing or in good faith purporting to perform their official duties. [1973 c 125 § 5.]

**54.16.097 Actions against officer, employee, or agent—Defense and costs provided by public utility district—Exception.** Whenever any action, claim, or proceeding is instituted against any person who is or was an officer, employee, or agent of a public utility district established under this title arising out of the performance or failure of performance of duties for, or employment with any such district, the commission of the district may grant a request by such person that the attorney of the district's choosing be authorized to defend said claim, suit, or proceeding, and the costs of defense, attorney's fees, and any obligation for payment arising from such action may be paid from the district's funds: PROVIDED, That costs of defense and/or judgment or settlement against such person shall not be paid in any case where the court has found that such person was not acting in good faith or within the scope of his or her employment with or duties for the district. [2010 c 8 § 17007; 1975 c 60 § 2.]

**54.16.100 Manager—Appointment—Compensation—Duties.** The commission, by resolution introduced at a regular meeting and adopted at a subsequent regular meeting, shall appoint and may remove at will a district manager, and shall, by resolution, fix his or her compensation.

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

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

The manager shall carry out the orders of the commission, and see that the laws pertaining to matters within the functions of his or her department are enforced; keep the commission fully advised as to the financial condition and needs of the districts; prepare an annual estimate for the ensuing fiscal year of the probable expenses of the department, and 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 the development work, extensions, and additions; certify to the commission all bills, allowances, and payrolls, including claims due contractors of public works; recommend to the commission compensation of the employees of his or her office, and a scale of compensation to be paid for the different classes of service required by the district; hire and discharge employees under his or her direction; and perform such other duties as may be imposed upon the manager by resolution of the commission. It is unlawful for the manager 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. [1990 c 16 § 1; 1955 c 390 § 11. Prior: 1945 c 143 § 1(j), part; 1931 c 1 § 6(j), part; Rem. Supp. 1945 § 11610(j), part.]

**54.16.110 May sue and be sued—Claims.** A district may sue in any court of competent jurisdiction, and may be sued in the county in which its principal office is located or in which it owns or operates facilities. No suit for damages shall be maintained against a district except on a claim filed with the district complying in all respects with the terms and requirements for claims for damages set forth in chapter 4.96 RCW. [1993 c 449 § 11; 1979 ex.s. c 240 § 3; 1955 c 390 § 12. Prior: 1945 c 143 § 1(k); 1931 c 1 § 6(k); Rem. Supp. 1945 § 11610(k).]

**Purpose—Severability—1993 c 449:** See notes following RCW 4.96.010.

*Claims against cities of the second class: RCW 35.31.040.*

**54.16.120 Local utility districts authorized.** A district may, by resolution, establish and define the boundaries of local assessment districts to be known as local utility district No. . . . , for distribution, under the general supervision and control of the commission, of water for all purposes, public and private, including domestic use, irrigation, and electric energy, and for providing street lighting, or any of them, and in like manner provide for the purchasing, or otherwise acquiring, or constructing and equipping and maintaining and operating distribution systems for such purposes, and for extensions and betterments thereof, and may levy and collect in accordance with the special benefits conferred thereon, special assessments and reassessments on property specially benefited thereby, for paying the cost and expense thereof, or any portions thereof, as herein provided, and issue local improvement bonds or warrants or both to be repaid wholly or in part by collection of local improvement assessments. A district also may form local utility districts located entirely or in part outside its limits or the limits of the county in which the district is located to provide water, or sewer facilities if otherwise authorized under this title. [1999 c 154 § 2; 1975 c 46 § 1; 1955 c 390 § 13. Prior: 1951 c 209 § 1; 1945 c 143 § 1(l), part; 1931 c 1 § 6(l), part; Rem. Supp. 1945 § 11610(l), part.]

*Assessments and charges against state lands: Chapter 79.44 RCW.*

*Local improvements, supplemental authority: Chapter 35.51 RCW.*

**54.16.130 Local districts—Procedure—Financing.** The commission shall by resolution establish the method of procedure in all matters relating to local utility districts. A 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 adopt and provide the manner, machinery and proceedings in any way relating to the making and collecting of assessments therefor in pursuance thereof. 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 and towns: PROVIDED, That no protest against a local utility district improvement shall be received after twelve o'clock noon of the day set for hearing. Such bonds and warrants may be in any form, including bearer bonds or bearer warrants, or registered warrants or registered bonds as provided in RCW 39.46.030. Such bonds and warrants may also be issued and sold in accordance with chapter 39.46 RCW.

The commission may determine to finance the project by bonds or warrants secured by assessments against the property within the local utility district: Or it may finance the project by revenue bonds, in which case no bonds or warrants shall be issued by the local utility district, but assessments shall be levied upon the taxable property therein on the basis of special benefits up to, but not exceeding the total cost of the improvement and in such cases the entire principal and interest of such assessments shall be paid into a revenue bond fund of the district, to be used for the sole purpose of the payment of revenue bonds. [1983 c 167 § 145; 1955 c 390 § 14. Prior: 1951 c 209 § 2; 1945 c 143 § 1(l), part; 1931 c 1 § 6(l), part; Rem. Supp. 1945 § 11610(l), part.]

*Local improvement*

*first-class cities: Chapters 35.43 through 35.56 RCW.*

*guaranty fund: RCW 54.24.200 through 54.24.260.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.140 Petition or resolution for local district—Hearing—Notice.** Any such improvement shall be ordered by resolution of the commission either upon petition or resolution therefor. When a petition, signed by ten percent of the owners of land in the district to be therein described, is 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 cost thereof, the commission shall fix the date of hearing thereon, and give not less than two weeks notice thereof by publication. The commission may deny the petition or order the improvement, unless a majority of the owners of lands in the district file prior to twelve o'clock noon of the day of the hearing, with the secretary a petition protesting against the improvement. If the commission orders the improvement, it may alter the boundaries of the proposed local district and prepare and adopt detail plans of the local improvement, declare the estimated cost thereof, what proportion thereof shall be borne by the local improvement district, and what proportion, if any shall be borne by the entire public utility district. [1955 c 390 § 15. Prior: 1945 c 143 § 1(l), part; 1931 c 1 § 6(l), part; Rem. Supp. 1945 § 11610(l), part.]

**54.16.142 Local utility districts—Notice must contain statement that assessments may vary from estimates.** Any notice given to the public or to the owners of specific lots, tracts, or parcels of land relating to the formation of a local utility district shall contain a statement that actual assessments may vary from assessment estimates so long as they do not exceed a figure equal to the increased true and fair value the improvement, or street lighting, adds to the property. [1989 c 243 § 9.]

**54.16.145 Local utility districts—Sanitary sewer or potable water facilities—Notice to certain property owners.** Whenever it is proposed that a local utility district finance sanitary sewers or potable water facilities, additional notice of the public hearing on the proposed local utility district shall be mailed to the owners of any property located outside of the proposed local utility district that would be required as a condition of federal housing administration loan qualification, at the time of notice, to be connected to the specific sewer or water facilities installed by the local utility district. The notice shall include information about this restriction. [1987 c 315 § 4.]

**54.16.150 Procedure when petition is signed by majority of landowners.** When a petition signed by a majority of the landowners in a proposed local improvement district is filed with the commission, asking that the improvement therein described be ordered, the commission shall forthwith fix a date for hearing thereon after which it shall, by resolution, order the improvement, and may alter the boundaries of the proposed district; prepare and adopt the improvement; prepare and adopt detail plans thereof; declare the estimated cost thereof, what proportion of the cost shall be borne by the local district, and what proportion, 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 assessment or reassessment proceedings to pay all eminent domain awards necessary to entitle the district to proceed with the work, and shall thereafter proceed with the work, and shall file with the county treasurer its roll levying special assessments in the amount to be paid by special assessment against the property in the local improvement district in proportion to the special benefits to be derived by the property in the local district from the improvement: PROVIDED, HOWEVER, No such improvement shall be ordered unless the same appears to the commission to be financially and economically feasible: AND PROVIDED FURTHER, That the commission may require as a condition to ordering such improvement or to making its determination as to the financial and economic feasibility, that all or a portion of such engineering, legal, or other costs incurred or to be incurred by the commission in determining financial and economic feasibility shall be borne or guaranteed by the petitioners of the proposed local improvement district under such rules as the commission may adopt. No person shall withdraw his or her name from the petition after the same has been filed with the commission. [2010 c 8 § 17008; 1959 c 142 § 3; 1955 c 390

(2022 Ed.)

§ 16. Prior: 1945 c 143 § 1(l), part; 1931 c 1 § 6(l), part; Rem. Supp. 1945 § 11610(l), part.]

**54.16.160 Assessment roll—Hearing—Appellate review—Expenses.** Before approval of the roll, a notice shall be published once each week for two successive weeks in a newspaper of general circulation in the county, stating that the roll is on file and open to inspection in the office of the secretary, and fixing a time not less than fifteen nor more than thirty days from the date of the first publication of the notice, within which protests must be filed with the secretary against any assessments shown thereon, and fixing a time when a hearing shall be held by the commission on the protests. After the hearing the commission may alter any and all assessments shown on the roll and may, by resolution, approve it, but if an assessment is raised, a new notice, similar to the first, shall be given, and a hearing had thereon, after which final approval of the roll may be made. Any person aggrieved by the assessments shall perfect an appeal to the superior court of the county within ten days after the approval, in the manner provided for appeals from assessments levied by cities of the first class. In the event such an appeal shall be taken, the judgment of the court shall confirm the assessment insofar as it affects the property of the appellant unless the court shall find from the evidence that such assessment is founded upon a fundamentally wrong basis and/or the decision of the commission thereon was arbitrary or capricious; in which event the judgment of the court shall correct, change, modify, or annul the assessment insofar as it affects the property of the appellant. In the same manner as provided with reference to cities of the first class appellate review of the judgment of the superior court may be sought, as in other cases, within fifteen days after the date of the entry of the judgment in the superior court. Engineering, office, and other expenses necessary or incident to the improvement shall be borne by the public utility district: PROVIDED, That when a municipal corporation included in the public utility district already owns or operates a utility of a character like that for which the assessments are levied hereunder, all such engineering and other expenses shall be borne by the local assessment district. [1988 c 202 § 51; 1971 c 81 § 123; 1959 c 142 § 4; 1955 c 390 § 17. Prior: 1945 c 143 § 1(l), part; 1931 c 1 § 6(l), part; Rem. Supp. 1945 c 11610(l), part.]

*Procedure on appeal from assessments levied by cities of the first class: RCW 35.44.200 through 35.44.270.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.165 Segregation of assessments.** Whenever any land against which there has been levied any special assessment by any public utility district shall have been sold in part or subdivided, the board of commissioners of such public utility district shall have the power to order a segregation of the assessment.

Any person owning any part of the land involved in a special assessment and desiring to have such special assessment against the tracts of land segregated to apply to smaller parts thereof shall apply in writing to the board of commissioners of the public utility district which levied the assessment. If the commissioners determine that a segregation should be made they shall do so as nearly as possible on the same basis as the original assessment was levied and the total

of the segregated parts of the assessment shall equal the assessment before segregation.

The commission shall then send notice thereof by mail to the several owners interested in the tract, as shown on the general tax rolls. If no protest is filed within twenty days from date of mailing said notice, the commission shall then by resolution approve said segregation. If a protest is filed, the commission shall have a hearing thereon, after mailing to the several owners at least ten days notice of the time and place thereof. After the hearing, the commission may by resolution approve said segregation, with or without change. Within ten days after the approval, any person aggrieved by the segregation may perfect an appeal to the superior court of the county wherein the property is situated and thereafter seek appellate review, all as provided for appeals from assessments levied by cities of the first class. The resolution approving said segregation shall describe the original tract, the amount and date of the original assessment, and shall define the boundaries of the divided parts and the amount of the assessment chargeable to each part, and shall order the county treasurer to make segregation on the original assessment roll as directed in the resolution. A certified copy of the resolution shall be delivered to the county treasurer who shall proceed to make the segregation ordered. The board of commissioners may require as a condition to the order of segregation that the person seeking it pay the public utility district the reasonable engineering and clerical costs incident to making the segregation. Unless otherwise provided in said resolution, the county treasurer shall apportion amounts paid on the original assessment in the same proportion as the segregated assessments bear to the original assessment. Upon segregation being made by the county treasurer, as aforesaid, the lien of the special assessment shall apply to the segregated parcels only to the extent of the segregated part of such assessment. [1988 c 202 § 52; 1971 c 81 § 124; 1959 c 142 § 1.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

#### **54.16.170 Apportionment of cost of improvement.**

When an improvement is ordered hereunder, payment for which shall be made in part from assessments against property specially benefited, not more than fifty percent 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 the district consent to or ratify the making of such expenditure. [1955 c 390 § 18. Prior: 1945 c 143 § 1(l), part; 1931 c 1 § 6(l), part; Rem. Supp. 1945 § 11610(l), part.]

#### **54.16.180 Sale, lease, disposition of properties, equipment, and materials—Procedure—Acquisition, operation of sewage system by districts in certain counties.**

(1) A district may sell and convey, lease, or otherwise dispose of all or any part of its works, plants, systems, utilities and properties, after proceedings and approval by the voters of the district, as provided for the lease or disposition of like properties and facilities owned by cities and towns. The affirmative vote of three-fifths of the voters voting at an election on the question of approval of a proposed sale shall be necessary to authorize such a sale.

(2) A district may, without the approval of the voters, sell, convey, lease, or otherwise dispose of all or any part of the property owned by it that is located:

(a) Outside its boundaries, to another public utility district, city, town or other municipal corporation; or

(b) Within or without its boundaries, which has become unserviceable, inadequate, obsolete, worn out or unfit to be used in the operations of the system and which is no longer necessary, material to, and useful in such operations, to any person or public body.

(3) A district may sell, convey, lease or otherwise dispose of items of equipment or materials to any other district, to any cooperative, mutual, consumer-owned or investor-owned utility, to any federal, state, or local government agency, to any contractor employed by the district or any other district, utility, or agency, or any customer of the district or of any other district or utility, from the district's stores without voter approval or resolution of the district's board, if such items of equipment or materials cannot practicably be obtained on a timely basis from any other source, and the amount received by the district in consideration for any such sale, conveyance, lease, or other disposal of such items of equipment or materials is not less than the district's cost to purchase such items or the reasonable market value of equipment or materials.

(4) A district located within a county with a population of from one hundred twenty-five thousand to less than two hundred ten thousand may sell and convey to a city of the first class, which owns its own water system, all or any part of a water system owned by the district where a portion of it is located within the boundaries of the city, without approval of the voters, upon such terms and conditions as the district shall determine.

(5) A district located in a county with a population of from twelve thousand to less than eighteen thousand and bordered by the Columbia river may, separately or in connection with the operation of a water system, or as part of a plan for acquiring or constructing and operating a water system, or in connection with the creation of another or subsidiary local utility district, provide for the acquisition or construction, additions or improvements to, or extensions of, and operation of, a sewage system within the same service area as in the judgment of the district commission is necessary or advisable to eliminate or avoid any existing or potential danger to public health due to lack of sewerage facilities or inadequacy of existing facilities.

(6) A district located within a county with a population of from one hundred twenty-five thousand to less than two hundred ten thousand bordering on Puget Sound may sell and convey to any city or town with a population of less than ten thousand all or any part of a water system owned by the district without approval of the voters upon such terms and conditions as the district shall determine.

(7) A district located within a county with a population of from six hundred fifty thousand to less than seven hundred fifty thousand bordering on Puget Sound may sell and convey to any city or town with a population of less than sixty-five thousand which owns its own water system all or any part of a water system owned by the district without approval of the voters upon such terms and conditions as the district shall determine.

(8) A district may sell and convey, lease, or otherwise dispose of, to any person or entity without approval of the voters and upon such terms and conditions as it determines, all or any part of an electric generating project owned directly or indirectly by the district, regardless of whether the project is completed, operable, or operating, as long as:

(a) The project is or would be powered by an eligible renewable resource as defined in RCW 19.285.030; and

(b) The district, or the separate legal entity in which the district has an interest in the case of indirect ownership, has:

(i) The right to lease the project or to purchase all or any part of the energy from the project during the period in which it does not have a direct or indirect ownership interest in the project; and

(ii) An option to repurchase the project or part thereof sold, conveyed, leased, or otherwise disposed of at or below fair market value upon termination of the lease of the project or termination of the right to purchase energy from the project.

(9) Districts are municipal corporations for the purposes of this section. A commission shall be held to be the legislative body, a president and secretary shall have the same powers and perform the same duties as a mayor and city clerk, and the district resolutions shall be held to be ordinances within the meaning of statutes governing the sale, lease, or other disposal of public utilities owned by cities and towns. [2011 c 285 § 1; 2008 c 198 § 5; 1999 c 69 § 1; 1994 c 81 § 78; 1991 c 363 § 135; 1977 ex.s. c 31 § 1; 1963 c 196 § 1; 1959 c 275 § 1; 1955 c 390 § 19. Prior: 1945 c 143 § 1(m); 1931 c 1 § 6(m); Rem. Supp. 1945 § 11610(m).]

**Finding—2008 c 198:** See note following RCW 39.34.030.

**Purpose—Captions not law—1991 c 363:** See notes following RCW 2.32.180.

**54.16.190 General resolutions.** The commission of a district may adopt general resolutions to carry out the purposes, objects, and provisions of this title. [1955 c 390 § 20. Prior: 1945 c 143 § 1(n); 1931 c 1 § 6(n); Rem. Supp. 1945 § 11610(n).]

**54.16.200 Joint exercise of powers and joint acquisition of properties.** Any two or more public utility districts organized under the provisions of the laws of this state shall have the power, by mutual agreement, to exercise jointly all powers granted to each individual district, and in the exercise of such powers shall have the right and power to acquire jointly all or any part of any electric utility properties which, at the time of the passage of this act, constitutes an interconnected and physically integrated electric utility system, whether entirely within or partly within and partly without such districts: PROVIDED, That any two or more districts so acting jointly, by mutual agreement, shall not acquire any electric utility distribution properties in any other public utility district without the consent of such district, and shall not exercise jointly the power to condemn any privately owned utility property or any public utility owned by a municipality, to levy taxes or, to create subdistricts. [1949 c 227 § 2; Rem. Supp. 1949 § 10459-15.]

**\*Reviser's note:** As to "the time of the passage of this act," the legislative history of chapter 227, Laws of 1949 is as follows: Passed the house (2022 Ed.)

March 8, 1949; passed the senate March 7, 1949; approved by the governor March 22, 1949.

*Joint operating agency: RCW 43.52.360.*

**54.16.220 Columbia river hydroelectric projects—Grant back of easements to former owners.** Notwithstanding any other provision of law, every public utility district acquiring privately owned lands, real estate or property for reservoir purposes of a hydroelectric power project dam on the Columbia river, upon acquisition of title to said lands, whether acquired by purchase or condemnation, shall grant back to the former owners of the lands acquired upon their request therefor, whether prior to conveyance of title to the district or within sixty days thereafter, a perpetual easement appurtenant to the adjoining property for such occupancy and use and improvement of the acquired lands as will not be detrimental to the operation of the hydroelectric project and not be in violation of the required conditions of the district's federal power commission license for the project: PROVIDED, That said former owners shall not thereafter erect any structure or make any extensive physical change thereon except under a permit issued by the public utility district: PROVIDED FURTHER, That said easement shall include a provision that any shorelands thereunder shall be open to the public, and shall be subject to cancellation upon sixty days notice to the owners by the district that such lands are to be conveyed to another public agency for game or game fish purposes or public recreational use, in which event the owners shall remove any structures they may have erected thereon within a reasonable time without cost to the district. The provisions of this section shall not be applicable with respect to: (1) lands acquired from an owner who does not desire an easement for such occupancy and use; (2) lands acquired from an owner where the entire estate has been acquired; (3) lands acquired for, and reasonably necessary for, project structures (including borrow areas) or for relocation of roads, highways, railroads, other utilities or railroad industrial sites; and (4) lands heretofore acquired or disposed of by sale or lease by a public utility district for whatsoever purpose. [1965 ex.s. c 118 § 1.]

**54.16.230 Sewage system works—Acquire, construct, operate, etc.—Authorizing election—Procedure.** A public utility district may acquire, construct, operate, maintain, and add to sewage systems, subject to and in compliance with the county comprehensive plan, under the general powers of Title 54 RCW or through the formation of local utility districts as provided in RCW 54.16.120 through 54.16.170: PROVIDED, That prior to engaging in any sewage system works as authorized by this section, the voters of the public utility district shall first approve by majority vote a referendum proposition authorizing such district to exercise the powers set forth in this section, which proposition shall be presented at a general election. [1975 1st ex.s. c 57 § 1.]

**54.16.240 Sewage system works—Resolution or petition—Voter approval or rejection.** The commission of a public utility district, by resolution may, or on petition in the same manner as provided for the creation of a district under RCW 54.08.010 shall, submit to the voters for their approval or rejection the proposal that said public utility district be

authorized to exercise the powers set forth in RCW 54.16.230. [1975 1st ex.s. c 57 § 2.]

**54.16.250 Sewage system works—Ballot proposition—Canvass.** The legislative authority of the county in which the public utility district is located, upon receipt of the resolution of the public utility district commission or petition as provided for in RCW 54.08.010, shall submit such proposal to the voters of the district at the next general election in substantially the following terms:

Shall Public Utility District No. . . . . of . . . . . County be authorized to acquire, construct, operate, maintain, and add to sewage systems?

Yes

No

Within ten days after such election, the election board of the county shall canvass the returns, and if at such election a majority of voters voting on the proposition shall vote in favor of such authority, the district shall have the powers set forth in RCW 54.16.230. [1975 1st ex.s. c 57 § 3.]

**54.16.260 Sewage system works—Accounts and funding.** Accounts and funding for any sewage system or systems shall be kept as provided in RCW 43.09.210. [1975 1st ex.s. c 57 § 4.]

**54.16.270 Sewage system works—Existing authority not affected.** Nothing contained in RCW 54.16.230 through 54.16.260 shall change or alter the present authority of certain public utility districts as regards sewage systems and as provided in RCW 54.16.180. [1975 1st ex.s. c 57 § 5.]

**54.16.280 Energy conservation plan—Financing authorized for energy conservation projects in structures or equipment—Limitations.** Any district is hereby authorized, within limits established by the Constitution of the state of Washington, to assist the owners of structures or equipment in financing the acquisition and installation of materials and equipment, for compensation or otherwise, for the conservation or more efficient use of energy in such structures or equipment pursuant to an energy conservation plan adopted by the district if the cost per unit of energy saved or produced by the use of such materials and equipment is less than the cost per unit of energy produced by the next least costly new energy resource which the district could acquire to meet future demand. Any financing authorized under this chapter shall only be used for conservation purposes in existing structures, and such financing shall not be used for any purpose which results in a conversion from one energy source to another. For the purposes of this section, "conservation purposes in existing structures" may include projects to allow a district's customers to generate all or a portion of their own electricity through the on-site installation of a distributed electricity generation system that uses as its fuel solar, wind, geothermal, or hydropower, or other renewable resource that is available on-site and not from a commercial source. Such projects shall not be considered "a conversion from one energy source to another" which is limited to the change or substitution of one commercial energy supplier for

another commercial energy supplier. Except where otherwise authorized, such assistance shall be limited to:

(1) Providing an inspection of the structure or equipment, either directly or through one or more inspectors under contract, to determine and inform the owner of the estimated cost of purchasing and installing conservation materials and equipment for which financial assistance will be approved and the estimated life-cycle savings in energy costs that are likely to result from the installation of such materials or equipment;

(2) Providing a list of businesses who sell and install such materials and equipment within or in close proximity to the service area of the district, each of which businesses shall have requested to be included and shall have the ability to provide the products in a workmanlike manner and to utilize such materials in accordance with the prevailing national standard;

(3) Arranging to have approved conservation materials and equipment installed by a private contractor whose bid is acceptable to the owner of the residential structure and verifying such installation;

(4) Arranging or providing financing for the purchase and installation of approved conservation materials and equipment. Such materials and equipment shall be purchased from a private business and shall be installed by a private business or the owner; and

(5) Pay back shall be in the form of incremental additions to the utility bill, billed either together with use charge or separately. Loans shall not exceed two hundred forty months in length. [2010 1st sp.s. c 4 § 1; 2002 c 276 § 3; 1989 c 268 § 2; 1979 ex.s. c 239 § 3.]

**Findings—Intent—2002 c 276:** See note following RCW 35.92.360.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.281 Energy conservation—Utility cool roof program—Tree planting program.** The legislature encourages any public utility district to assist their customers in the acquisition and installation of materials and equipment, for compensation or otherwise, for the conservation or more efficient use of energy including, but not limited to, materials and equipment installed as part of a utility cool roof program. The use of appropriate tree plantings for energy conservation is highly encouraged as part of these programs. It is the policy of the state of Washington that any tree planting program engaged in by a public utility district where energy reduction is a goal as part of a broader energy conservation program under this chapter should accomplish the following:

(1) Reduce the peak-load demand for electricity in residential and commercial business areas during the summer months through direct shading of buildings provided by strategically planted trees;

(2) Reduce wintertime demand for energy in residential areas by blocking cold winds from reaching homes, which lowers interior temperatures and drives heating demand;

(3) Protect public health by removing harmful pollution from the air and prioritize in communities with environmental health disparities;

(4) Utilize the natural photosynthetic and transpiration process of trees to lower ambient temperatures and absorb carbon dioxide;

(5) Lower electric bills for residential and commercial business ratepayers by limiting electricity consumption without reducing benefits;

(6) Relieve financial and demand pressure on the utility that stems from large peak-load electricity demand;

(7) Protect water quality and public health by reducing and cooling stormwater runoff and keeping harmful pollutants from entering waterways, with special attention given to waterways vital for the preservation of threatened and endangered salmon;

(8) Ensure that trees are planted in locations that limit the amount of public funding needed to maintain public and electric infrastructure;

(9) Measure program performance in terms of the estimated present value benefit per tree planted and equitable and accessible community engagement consistent with the department of health's environmental health disparities map recommendations 12 and 13, and with the community engagement plan guidance appendix C of the final report of the environmental justice task force established under chapter 415, Laws of 2019;

(10) Give special consideration to achieving environmental justice in goals and policies, avoid creating or worsening environmental health disparities, and make use of the department of health's environmental health disparities map to help guide engagement and actions; and

(11) Coordinate with the department of natural resources urban and community forestry program's efforts to identify areas of need related to urban tree canopy and to provide technical assistance and capacity building to encourage urban tree canopy. [2021 c 11 § 4.]

**Findings—Intent—2021 c 11:** See note following RCW 35.92.355.

**54.16.285 Limitations on termination of utility service for residential heating.** (1) A district providing utility service for residential space heating shall not terminate such utility service between November 15 through March 15 if the customer:

(a) Notifies the utility of the inability to pay the bill, including a security deposit. This notice should be provided within five business days of receiving a payment overdue notice unless there are extenuating circumstances. If the customer fails to notify the utility within five business days and service is terminated, the customer can, by paying reconnection charges, if any, and fulfilling the requirements of this section, receive the protections of this chapter;

(b) Provides self-certification of household income for the prior twelve months to a grantee of the \*department of community, trade, and economic development which administers federally funded energy assistance programs. The grantee shall determine that the household income does not exceed the maximum allowed for eligibility under the state's plan for low-income energy assistance under 42 U.S.C. 8624 and shall provide a dollar figure that is seven percent of household income. The grantee may verify information provided in the self-certification;

(c) Has applied for home heating assistance from applicable government and private sector organizations and certifies that any assistance received will be applied to the current bill and future utility bills;

(d) Has applied for low-income weatherization assistance to the utility or other appropriate agency if such assistance is available for the dwelling;

(e) Agrees to a payment plan and agrees to maintain the payment plan. The plan will be designed both to pay the past due bill by the following October 15 and to pay for continued utility service. If the past due bill is not paid by the following October 15, the customer shall not be eligible for protections under this chapter until the past due bill is paid. The plan shall not require monthly payments in excess of seven percent of the customer's monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter during November 15 through March 15. A customer may agree to pay a higher percentage during this period, but shall not be in default unless payment during this period is less than seven percent of monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan; and

(f) Agrees to pay the moneys owed even if he or she moves.

(2) The utility shall:

(a) Include in any notice that an account is delinquent and that service may be subject to termination, a description of the customer's duties in this section;

(b) Assist the customer in fulfilling the requirements under this section;

(c) Be authorized to transfer an account to a new residence when a customer who has established a plan under this section moves from one residence to another within the same utility service area;

(d) Be permitted to disconnect service if the customer fails to honor the payment program. Utilities may continue to disconnect service for those practices authorized by law other than for nonpayment as provided for in this section. Customers who qualify for payment plans under this section who default on their payment plans and are disconnected can be reconnected and maintain the protections afforded under this chapter by paying reconnection charges, if any, and by paying all amounts that would have been due and owing under the terms of the applicable payment plan, absent default, on the date on which service is reconnected; and

(e) Advise the customer in writing at the time it disconnects service that it will restore service if the customer contacts the utility and fulfills the other requirements of this section.

(3) All districts providing utility service for residential space heating shall offer residential customers the option of a budget billing or equal payment plan. The budget billing or equal payment plan shall be offered low-income customers eligible under the state's plan for low-income energy assistance prepared in accordance with 42 U.S.C. 8624(C)(1) without limiting availability to certain months of the year, without regard to the length of time the customer has occupied the premises, and without regard to whether the customer is the tenant or owner of the premises occupied.

(4) An agreement between the customer and the utility, whether oral or written, shall not waive the protections afforded under this chapter. [1995 c 399 § 144; 1991 c 165 §

3; 1990 1st ex.s. c 1 § 3; 1986 c 245 § 3; 1985 c 6 § 19; 1984 c 251 § 2.]

\*Reviser's note: The "department of community, trade, and economic development" was renamed the "department of commerce" by 2009 c 565.

Findings—1991 c 165: See note following RCW 35.21.300.

**54.16.300 Combined utility functions.** A public utility district by resolution may combine two or more of its separate utility functions into a single utility and combine its related funds or accounts into a single fund or account. The separate utility functions include electrical energy systems, domestic water systems, irrigation systems, sanitary sewer systems, and storm sewer systems. All powers granted to public utility districts to acquire, construct, maintain, and operate such systems may be exercised in the joint acquisition, construction, maintenance, and operation of such combined systems. The establishment, maintenance, and operation of the combined system shall be governed by the public utility district statutes relating to one of the utility systems that is being combined, as specified in the resolution combining the utility systems. [1987 c 18 § 1.]

**54.16.310 Operation, maintenance, and inspection of sewage disposal facilities, septic tanks, and wastewater disposal facilities and systems—Maintenance costs.** A public utility district as authorized by a county board of health, may perform operation and maintenance, including inspections, of on-site sewage disposal facilities, alternate sewage disposal facilities, approved septic tanks or approved septic tank systems, other facilities and systems for the collection, interception, treatment, and disposal of wastewater, and for the control and protection, preservation, and rehabilitation of surface and underground waters. Those costs associated with the maintenance of private on-site sewage systems may be charged by the public utility district to the system owner. [1990 c 107 § 1.]

**54.16.320 Assumption of substandard water system—Limited immunity from liability.** A public utility district assuming responsibility for a water system that is not in compliance with state or federal requirements for public drinking water systems, and its agents and employees, are immune from lawsuits or causes of action, based on noncompliance with state or federal requirements for public drinking water systems, which predate the date of assuming responsibility and continue after the date of assuming responsibility, provided that the public utility district has submitted and is complying with a plan and schedule of improvements approved by the department of health. This immunity shall expire on the earlier of the date the plan of improvements is completed or four years from the date of assuming responsibility. This immunity does not apply to intentional injuries, fraud, or bad faith. [1994 c 292 § 10.]

Findings—Intent—1994 c 292: See note following RCW 57.04.050.

**54.16.330 Telecommunications facilities—Purposes—Limitations—Provision of telecommunications services—Eminent domain (as amended by 2021 c 293).** (1)(a) A public utility district in existence on June 8, 2000, may construct, purchase, acquire, develop, finance, lease, license, handle, provide, add to, contract for, interconnect, alter, improve, repair, operate, and maintain any telecommunications facilities within or without the district's limits for the following purposes:

(i) For the district's internal telecommunications needs;

(ii) For the provision of wholesale telecommunications services ((within)) as follows:

(A) Within the district and by contract with another public utility district;

(B) Within an area in an adjoining county that is already provided electrical services by the district; or

(C) Within an adjoining county that does not have a public utility district providing electrical or telecommunications services headquartered within the county's boundaries, but only if the district providing telecommunications services is not authorized to provide electrical services((-

b) Except as provided in subsection (8) of this section, nothing in this section shall be construed to authorize public utility districts to provide telecommunications services to end users)); or

(iii) For the provision of retail telecommunications services as authorized in this section.

(2) A public utility district providing wholesale or retail telecommunications services shall ensure that rates, terms, and conditions for such services are not unduly or unreasonably discriminatory or preferential. Rates, terms, and conditions are discriminatory or preferential when a public utility district offering rates, terms, and conditions to an entity for wholesale or retail telecommunications services does not offer substantially similar rates, terms, and conditions to all other entities seeking substantially similar services.

(3) A public utility district providing wholesale or retail telecommunications services shall not be required to, but may, establish a separate utility system or function for such purpose. In either case, a public utility district providing wholesale or retail telecommunications services shall separately account for any revenues and expenditures for those services according to standards established by the state auditor pursuant to its authority in chapter 43.09 RCW and consistent with the provisions of this title. Any revenues received from the provision of wholesale or retail telecommunications services must be dedicated to costs incurred to build and maintain any telecommunications facilities constructed, installed, or acquired to provide such services, including payments on debt issued to finance such services, until such time as any bonds or other financing instruments executed after June 8, 2000, and used to finance such telecommunications facilities are discharged or retired.

(4) When a public utility district provides wholesale or retail telecommunications services, all telecommunications services rendered to the district for the district's internal telecommunications needs shall be allocated or charged at its true and full value. A public utility district may not charge its nontelecommunications operations rates that are preferential or discriminatory compared to those it charges entities purchasing wholesale or retail telecommunications services.

(5) If a person or entity receiving retail telecommunications services from a public utility district under this section has a complaint regarding the reasonableness of the rates, terms, conditions, or services provided, the person or entity may file a complaint with the district commission.

(6) A public utility district shall not exercise powers of eminent domain to acquire telecommunications facilities or contractual rights held by any other person or entity to telecommunications facilities.

(7) Except as otherwise specifically provided, a public utility district may exercise any of the powers granted to it under this title and other applicable laws in carrying out the powers authorized under this section. Nothing in chapter 81, Laws of 2000 limits any existing authority of a public utility district under this title.

(8)(a) If an internet service provider operating on telecommunications facilities of a public utility district that provides wholesale telecommunications services but does not provide retail telecommunications services, ceases to provide access to the internet to its end-use customers, and no other retail service providers are willing to provide service, the public utility district may provide retail telecommunications services to the end-use customers of the defunct internet service provider in order for end-use customers to maintain access to the internet until a replacement internet service provider is, or providers are, in operation.

(b) Within thirty days of an internet service provider ceasing to provide access to the internet, the public utility district must initiate a process to find a replacement internet service provider or providers to resume providing access to the internet using telecommunications facilities of a public utility district.

(c) For a maximum period of five months, following initiation of the process begun in (b) of this section, or, if earlier than five months, until a replacement internet service provider is, or providers are, in operation, the district commission may establish a rate for providing access to the internet



and charge customers to cover expenses necessary to provide access to the internet.

(9) The tax treatment of the retail telecommunications services provided by a public utility district to the end-use customers during the period specified in subsection (8) of this section must be the same as if those retail telecommunications services were provided by the defunct internet service provider.

(10)(a) A public utility district may provide retail telecommunications services to end users in unserved areas.

(b) A public utility district must notify and consult with the governor's statewide broadband office within 30 days of its decision to provide retail telecommunications services to unserved areas. The governor's statewide broadband office must post notices received from a public utility district pursuant to this subsection on its public website.

(c) Any public utility district that intends to provide retail telecommunications services to unserved areas must submit a telecommunications infrastructure and service plan to the governor's statewide broadband office that will be published on the office's website. Submission of plans will enable the governor's statewide broadband office: (i) To better understand infrastructure deployment; (ii) to potentially allocate funding for unserved areas; (iii) to advance the state policy objectives; (iv) to determine whether the plan aligns with state policy objectives and broadband priorities; (v) to measure progress toward serving those in unserved areas; (vi) to report on the feasibility and sustainability of the project; and (vii) to confirm that the project is within an unserved area. The telecommunications infrastructure and service plans shall include, but not be limited to, the following:

(A) Map and description of how the deployment of proposed broadband infrastructure will achieve at a minimum 100 megabits per second download speed and at a minimum 20 megabits per second upload speed and then increases to be consistent with the stated long-term state broadband speed goals for unserved areas;

(B) Project timeline prioritization of unserved areas; and

(C) Description of potential state and federal funding available to provide service to the unserved area.

(d) A public utility district that exercises its authority under (a) of this subsection to provide retail telecommunications services may use state funds, federal funds appropriated through the state, or federal funds dedicated for projects in unserved areas to fund projects identified in the submitted telecommunications infrastructure and service plan required in (c) of this subsection.

(e) A public utility district providing retail telecommunications services under this subsection must operate an open access network.

(f) This section does not apply to retail internet services provided by a public utility district under \*RCW 54.16.420.

(g) Provisions in this subsection do not apply to the provision of wholesale telecommunications services authorized in this section.

(h) For the purposes of this subsection:

(i) "Open access network" means a network that, during the useful life of the infrastructure, ensures service providers may use network services and facilities at rates, terms, and conditions that are not discriminatory or preferential between providers, and employs accountable interconnection arrangements published and available publicly.

(ii) "Unserved areas" means areas of Washington in which households and businesses lack access to broadband service of speeds at a minimum of 100 megabits per second download and at a minimum 20 megabits per second upload. [2021 c 293 § 2; 2019 c 365 § 9; 2004 c 158 § 1; 2000 c 81 § 3.]

\*Reviser's note: RCW 54.16.420 was repealed by 2021 c 294 § 13.

**Findings—2021 c 293:** "The legislature finds that the COVID-19 pandemic has made it clear that equitable access to education can only happen with equitable access to reliable broadband. Increasing broadband access to unserved areas of the state is of vital importance to increasing quality of life, broadening educational opportunities, and promoting economic inclusion in the parts of our state that, without broadband access, cannot fully participate in modern society. The legislature further finds that one of the most effective tools to ensure all Washingtonians have an opportunity to equitably access education, the job market, and health care resources is to allow our public utility districts and port districts to provide retail telecommunications services." [2021 c 293 § 1.]

**54.16.330 Telecommunications facilities—Purposes—Limitations—Provision of telecommunications services—Eminent domain (as amended by 2021 c 294).** (1)((+)) A public utility district in existence on June 8, 2000, may construct, purchase, acquire, develop, finance, lease, license, handle, provide, add to, contract for, interconnect, alter, improve,

repair, operate, and maintain any telecommunications facilities within or without the district's limits for the following purposes:

~~((+)) (a) For the district's internal telecommunications needs;~~

~~((ii) For the provision of wholesale telecommunications services within the district and by contract with another public utility district.~~

~~(b) Except as provided in subsection (8) of this section, nothing in this section shall be construed to authorize public utility districts to provide telecommunications services to end users.)~~ (b) For the provision of wholesale telecommunications services as follows:

(i) Within the district and by contract with another public utility district;

(ii) Within an area in an adjoining county that is already provided electrical services by the district; or

(iii) Within an adjoining county that does not have a public utility district providing electrical or telecommunications services headquartered within the county's boundaries, but only if the district providing telecommunications services is not authorized to provide electrical services; or

(c) For the provision of retail telecommunications services as authorized in this section.

(2) A public utility district providing wholesale or retail telecommunications services shall ensure that rates, terms, and conditions for such services are not unduly or unreasonably discriminatory or preferential. Rates, terms, and conditions are discriminatory or preferential when a public utility district offering rates, terms, and conditions to an entity for wholesale or retail telecommunications services does not offer substantially similar rates, terms, and conditions to all other entities seeking substantially similar services.

(3) A public utility district providing wholesale or retail telecommunications services shall not be required to, but may, establish a separate utility system or function for such purpose. In either case, a public utility district providing wholesale or retail telecommunications services shall separately account for any revenues and expenditures for those services according to standards established by the state auditor pursuant to its authority in chapter 43.09 RCW and consistent with the provisions of this title. Any revenues received from the provision of wholesale or retail telecommunications services must be dedicated to costs incurred to build and maintain any telecommunications facilities constructed, installed, or acquired to provide such services, including payments on debt issued to finance such services, until such time as any bonds or other financing instruments executed after June 8, 2000, and used to finance such telecommunications facilities are discharged or retired.

(4) When a public utility district provides wholesale or retail telecommunications services, all telecommunications services rendered to the district for the district's internal telecommunications needs shall be allocated or charged at its true and full value. A public utility district may not charge its nontelecommunications operations rates that are preferential or discriminatory compared to those it charges entities purchasing wholesale or retail telecommunications services.

(5) If a person or entity receiving retail telecommunications services from a public utility district under this section has a complaint regarding the reasonableness of the rates, terms, conditions, or services provided, the person or entity may file a complaint with the district commission.

(6) A public utility district shall not exercise powers of eminent domain to acquire telecommunications facilities or contractual rights held by any other person or entity to telecommunications facilities.

(7) Except as otherwise specifically provided, a public utility district may exercise any of the powers granted to it under this title and other applicable laws in carrying out the powers authorized under this section. Nothing in chapter 81, Laws of 2000 limits any existing authority of a public utility district under this title.

~~((8)(a) If an internet service provider operating on telecommunications facilities of a public utility district that provides wholesale telecommunications services but does not provide retail telecommunications services, ceases to provide access to the internet to its end-use customers, and no other retail service providers are willing to provide service, the public utility district may provide retail telecommunications services to the end-use customers of the defunct internet service provider in order for end-use customers to maintain access to the internet until a replacement internet service provider is, or providers are, in operation.~~

~~(b) Within thirty days of an internet service provider ceasing to provide access to the internet, the public utility district must initiate a process to find a replacement internet service provider or providers to resume providing access to the internet using telecommunications facilities of a public utility district.~~

~~(c) For a maximum period of five months, following initiation of the process begun in (b) of this section, or, if earlier than five months, until a~~

replacement internet service provider is, or providers are, in operation, the district commission may establish a rate for providing access to the internet and charge customers to cover expenses necessary to provide access to the internet.

(9) The tax treatment of the retail telecommunications services provided by a public utility district to the end-use customers during the period specified in subsection (8) of this section must be the same as if those retail telecommunications services were provided by the defunct internet service provider.)

(8) A public utility district may provide retail telecommunications services or telecommunications facilities within the district's limits or without the district's limits by contract with another public utility district, any political subdivision of the state authorized to provide retail telecommunications services in the state, or with any federally recognized tribe located in the state of Washington. [2021 c 294 § 2; 2019 c 365 § 9; 2004 c 158 § 1; 2000 c 81 § 3.]

**Reviser's note:** RCW 54.16.330 was amended twice during the 2021 legislative session, each without reference to the other. For rule of construction concerning sections amended more than once during the same legislative session, see RCW 1.12.025.

**Short title—2021 c 294:** "This act may be known and cited as the public broadband act." [2021 c 294 § 12.]

**Findings—2019 c 365:** See note following RCW 43.330.532.

**Findings—2000 c 81:** See note following RCW 53.08.005.

**54.16.340 Wholesale telecommunications services—Petition for review of rates, terms, conditions.** (1) A person or entity that has requested wholesale telecommunications services from a public utility district providing wholesale telecommunications services under this chapter may petition the commission under the procedures set forth in RCW 80.04.110 (1) through (3) if it believes the district's rates, terms, and conditions are unduly or unreasonably discriminatory or preferential. The person or entity shall provide the public utility district notice of its intent to petition the commission and an opportunity to review within thirty days the rates, terms, and conditions as applied to it prior to submitting its petition. In determining whether a district is providing discriminatory or preferential rates, terms, and conditions, the commission may consider such matters as service quality, cost of service, technical feasibility of connection points on the district's facilities, time of response to service requests, system capacity, and other matters reasonably related to the provision of wholesale telecommunications services. If the commission, after notice and hearing, determines that a public utility district's rates, terms, and conditions are unduly or unreasonably discriminatory or preferential, it shall issue a final order finding noncompliance with this section and setting forth the specific areas of apparent noncompliance. An order imposed under this section shall be enforceable in any court of competent jurisdiction.

(2) The commission may order a public utility district to pay a share of the costs incurred by the commission in connection with adjudicating or enforcing the provisions of this section.

(3) Without limiting other remedies at law or equity, the commission and prevailing party may also seek injunctive relief to compel compliance with an order.

(4) Nothing in this section shall be construed to affect the commission's authority and jurisdiction with respect to actions, proceedings, or orders permitted or contemplated for a state commission under the federal telecommunications act of 1996, P.L. 104-104 (110 Stat. 56). [2000 c 81 § 5.]

**Findings—2000 c 81:** See note following RCW 53.08.005.

**54.16.350 Tariff for irrigation pumping service—Authority to buy back electricity.** The commission may approve a tariff for irrigation pumping service that allows the district to buy back electricity from customers to reduce electricity usage by those customers during the district's particular irrigation season. [2001 c 122 § 2.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.360 Cooperative watershed management.** In addition to the authority provided in RCW 54.16.030 relating to water supply, a public utility district may participate in and expend revenue on cooperative watershed management actions, including watershed management partnerships under RCW 39.34.210 and other intergovernmental agreements, for purposes of water supply, water quality, and water resource and habitat protection and management. [2003 c 327 § 14.]

**Finding—Intent—2003 c 327:** See note following RCW 39.34.190.

**54.16.370 Purchase of electric power and energy from joint operating agency.** A district may contract to purchase from a joint operating agency electric power and energy required for its present or future requirements. For projects the output of which is limited to qualified alternative energy resources as defined by RCW 19.29A.090(3), the contract may include the purchase of capability of the projects to produce electricity in addition to the actual output of the projects. The contract may provide that the district must make the payments required by the contract whether or not a project is completed, operable, or operating and notwithstanding the suspension, interruption, interference, reduction, or curtailment of the output of a project or the power and energy contracted for. The contract may also provide that payments under the contract are not subject to reduction, whether by offset or otherwise, and shall not be conditioned upon the performance or nonperformance of the joint operating agency or a city, town, or district under the contract or other instrument. [2003 c 138 § 2.]

**54.16.380 Appliance repair service—Operation by district.** Any public utility district that has operated an electrical appliance repair service for at least ten years prior to July 24, 2005, may continue to operate an electrical appliance repair service within its service territory. [2005 c 175 § 2.]

**Intent—2005 c 175:** "It is the intent of the legislature to avoid unnecessary hardships on the citizens of a community by recognizing the traditional appliance repair services that have been offered for many years by any public utility district described in section 2 of this act.

The legislature understands that some of these services improve the energy efficiency of the appliance repaired, which helps citizens save money and energy as well as extending the life of the appliance.

The legislature recognizes these historic services coexist with the private sector without creating aggressive competition between public and private enterprises.

It is the intent of the legislature to have these services be financially self-supporting and not be subsidized by any other customer rate structures.

Public utility districts affected by this act are encouraged to continue to work collaboratively with the private sector in providing these services." [2005 c 175 § 1.]

**54.16.385 Appliance repair service—Requirements.** When a public utility district provides electrical appliance repair services under RCW 54.16.380, the public utility district shall:

(1) Charge customers the true and fair cost for the services;

(2) Keep records documenting the revenues and expenditures for the services and make those records available to the public; and

(3) Develop measures or benchmarks to track and evaluate the performance of the services. [2005 c 175 § 3.]

**Intent—2005 c 175:** See note following RCW 54.16.380.

**54.16.390 Environmental mitigation activities.** (1) A public utility district may develop and make publicly available a plan for the district to reduce its greenhouse gases emissions or achieve no-net emissions from all sources of greenhouse gases that the district owns, leases, uses, contracts for, or otherwise controls.

(2) A public utility district may, as part of its utility operation, mitigate the environmental impacts, such as greenhouse gases emissions, of its operation and any power purchases. Mitigation may include, but is not limited to, those greenhouse gases mitigation mechanisms recognized by independent, qualified organizations with proven experience in emissions mitigation activities. Mitigation mechanisms may include the purchase, trade, and banking of greenhouse gases offsets or credits. If a state greenhouse gases registry is established, a public utility district that has purchased, traded, or banked greenhouse gases mitigation mechanisms under this section shall receive credit in the registry. [2007 c 349 § 4.]

**Finding—Intent—2007 c 349 § 4:** "The legislature finds and declares that greenhouse gases offset contracts, credits, and other greenhouse gases mitigation efforts are a recognized utility purpose that confers a direct benefit on the utility's ratepayers. The legislature declares that section 4 of this act is intended to reverse the result of *Okeson v. City of Seattle* (January 18, 2007), by expressly granting public utility districts the statutory authority to engage in mitigation activities to offset their utility's impact on the environment." [2007 c 349 § 3.]

**54.16.400 Voluntary donations for purposes of urban forestry.** (1) Public utility districts may request voluntary donations from their customers for the purposes of urban forestry. The request may be in the form of a check-off on the billing statement or other form of a request for a voluntary donation.

(2) Voluntary donations collected by public utility districts under this section may be used by the public utility district to:

(a) Support the development and implementation of urban forestry ordinances, as that term is defined in RCW 76.15.010, for cities, towns, or counties within their service areas;

(b) Complete projects consistent with the urban forestry management plans and ordinances developed under RCW 76.15.090; or

(c) Fund a tree planting program for energy conservation that accomplishes the goals established under RCW 54.16.281.

(3) Donations received under this section do not contribute to the gross income of a light and power business or gas distribution business under chapter 82.16 RCW. [2021 c 209 § 21; 2021 c 11 § 5; 2008 c 299 § 22.]

**Reviser's note:** This section was amended by 2021 c 11 § 5 and by 2021 c 209 § 21, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

(2022 Ed.)

porated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

**Findings—Intent—2021 c 209:** See note following RCW 76.15.005.

**Findings—Intent—2021 c 11:** See note following RCW 35.92.355.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.16.405 Voluntary donations for purpose of supporting hunger programs.** (1) Public utility districts may request voluntary donations from their customers for the purpose of supporting hunger programs.

(2) Voluntary donations collected by public utility districts under this section must be used by the public utility district to support the maintenance and operation of hunger programs.

(3) Donations received under this section do not contribute to the gross income of a light and power business or gas distribution business under chapter 82.16 RCW.

(4) Nothing in this section precludes a public utility district from requesting voluntary donations to support other programs. [2011 c 226 § 1.]

**54.16.410 Supply of water to be used in pumped storage generating facilities—Requirements—Contract, resolution.** (1) Notwithstanding any other provision of this chapter to the contrary, a qualifying public utility district may supply any water, if authorized by a previously perfected water right under its control, to be used in a pumped storage generating facility to any entity that sells electric energy or water either directly or indirectly to the public.

(2) To qualify for the authority under this section, the public utility district must have satisfied all of the following requirements prior to June 7, 2012:

(a) Border the Columbia river;

(b) Have obtained a water right from an industrial user; and

(c) Hold a water right for which power generation is an authorized purpose.

(3) Water supplied to an entity under this section must be supplied consistent with a contract that contains the terms and conditions deemed appropriate by the commission of the qualifying public utility district. Contracts under this section must be made pursuant to a resolution of the commission that is introduced at a meeting of the commission at least ten days prior to the date of the adoption of the resolution. However, the commission shall first make adequate provision for the needs of the public utility district, both actual and prospective. [2012 c 246 § 1.]

**54.16.415 Retail telecommunications services—Reporting requirements.** (1) Before providing retail telecommunications services, a public utility district must report to its governing body and to the state broadband office the following about the area to be served by the public utility district:

(a) An assessment of the current availability of broadband infrastructure and its adequacy to provide high-speed internet access and other advanced telecommunications services to end users;

(b) The location of where retail telecommunications services will be provided;

(c) Evidence relating to the unserved nature of the community in which retail telecommunications services will be provided;

(d) Expected costs of providing retail telecommunications services to customers to be served by the public utility district;

(e) Evidence that proposed telecommunications infrastructure will be capable of scaling to greater download and upload speeds to meet state broadband goals under RCW 43.330.536;

(f) Sources of funding for the project that will supplement any grant or loan awards; and

(g) A strategic plan to maintain long-term operation of the infrastructure, and the expected installation charges and monthly costs for end users.

(2) The state broadband office must post a review of the proposed project on their website.

(3) For the purposes of this section, "unserved" means an area of Washington in which households and businesses lack access to broadband service at a minimum 100 megabits per second download speed and at a minimum 20 megabits per second upload speed. [2021 c 294 § 3.]

**Short title—2021 c 294:** See note following RCW 54.16.330.

**54.16.425 Retail telecommunications services—Payment in lieu of property tax.** (1) Property owned by a public utility district that is exempt from property tax under RCW 84.36.010 is subject to an annual payment in lieu of property taxes if the property consists of a broadband infrastructure used in providing retail telecommunications services.

(2)(a) The amount of the payment must be determined jointly and in good faith negotiation between the public utility district that owns the property and the county or counties in which the property is located.

(b) The amount agreed upon may not exceed the property tax amount that would be owed on the property comprising the broadband infrastructure used in providing retail telecommunications services as calculated by the department of revenue. The public utility district must provide information necessary for the department of revenue to make the required valuation under this subsection. The department of revenue must provide the amount of property tax that would be owed on the property to the county or counties in which the broadband infrastructure is located on an annual basis.

(c) If the public utility district and a county cannot agree on the amount of the payment in lieu of taxes, either party may invoke binding arbitration by providing written notice to the other party. In the event that the amount of payment in lieu of taxes is submitted to binding arbitration, the arbitrators must consider the government services available to the public utility district's broadband infrastructure used in providing retail telecommunications services. The public utility district and county must each select one arbitrator, the two of whom must pick a third arbitrator. Costs of the arbitration, including compensation for the arbitrators' services, must be borne equally by the parties participating in the arbitration.

(3) By April 30th of each year, a public utility district must remit the annual payment to the county treasurer of each county in which the public utility district's broadband infrastructure used in providing retail telecommunications ser-

vices is located in a form and manner required by the county treasurer.

(4) The county must distribute the amounts received under this section to all property taxing districts, including the state, in appropriate tax code areas in the same proportion as it would distribute property taxes from taxable property.

(5) By December 1, 2019, and annually thereafter, the department of revenue must submit a report to the appropriate legislative committees detailing the amount of payments made under this section and the amount of property tax that would be owed on the property comprising the broadband infrastructure used in providing retail telecommunications services. [2021 c 294 § 4; 2018 c 186 § 3.]

**Short title—2021 c 294:** See note following RCW 54.16.330.

**54.16.430 Electrification of transportation plan—Considerations—Incentive programs.** (1) The commission of a public utility district may adopt an electrification of transportation plan that, at a minimum, establishes a finding that outreach and investment in the electrification of transportation infrastructure does not increase net costs to ratepayers in excess of one-quarter of one percent.

(2) In adopting an electrification of transportation plan under subsection (1) of this section, the commission of a public utility district may consider some or all of the following: (a) The applicability of multiple options for electrification of transportation across all customer classes; (b) the impact of electrification on the district's load, and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate; (c) system reliability and distribution system efficiencies; (d) interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and (e) overall customer experience.

(3) A public utility district may, upon making a determination in accordance with subsection (1) of this section, offer incentive programs in the electrification of transportation for its customers, including the promotion of electric vehicle adoption and advertising programs to promote the district's services, incentives, or rebates. [2019 c 109 § 3.]

**Findings—Intent—2019 c 109:** See note following RCW 35.92.450.

## Chapter 54.20 RCW CONDEMNATION PROCEEDINGS

### Sections

54.20.010 Statement of operations—Decree of appropriation—Retirement of properties—Accounting—Limitation on new proceedings.

**54.20.010 Statement of operations—Decree of appropriation—Retirement of properties—Accounting—Limitation on new proceedings.** In any condemnation proceeding heretofore or hereafter instituted or conducted by a public utility district for the acquisition of properties, the district may serve upon the condemnee's attorneys of record and file with the court a notice of its intention to present a decree of appropriation together with a demand for a verified statement showing in reasonable detail the following information with respect to the operation of the properties since the date of ver-

dict, if the case was tried by jury, or since the date of the judgment fixing compensation, if the case was tried by the court, namely: the cost of any improvements and betterments to the properties which were reasonably necessary and prudently made; the gross income received from the properties, betterments and improvements; the actual reasonable expense, exclusive of depreciation, incurred in the operation thereof. If the condemnee fails to serve and file the statement within fifteen days after service of the demand therefor, it may be compelled to do so by contempt proceedings, and the time during which such proceedings are pending shall not be considered in computing the time within which the district may exercise its right of appropriation. After the statement is filed, the district may pay the amount of the verdict or judgment plus (1) accrued interest thereon less the net income before allowance for depreciation, and (2) the cost of such improvements and betterments, all as shown by the sworn statement, and concurrently obtain its decree of appropriation. The condemnee may retire from use after the verdict or judgment such items of the properties as may be reasonably necessary in the ordinary and usual course of operation thereof, in which case it shall show in its statement the reasonable value of such items retired, and the district may deduct such value from the sum otherwise payable by it. If the condemnee fails to file the statement within fifteen days after service of the demand therefor, the district at its option may pay the full amount of the judgment or verdict plus accrued interest thereon and concurrently obtain a decree of appropriation.

After payment has been made and the decree of appropriation entered as provided in this section, the district or the condemnee shall be entitled to an accounting in the condemnation proceedings to determine the true amount of each item required to be furnished in the above statement, and to payment of any balance found due in such accounting.

Whenever any such condemnation proceedings have been, or hereafter may be abandoned, no new proceedings for the acquisition of the same or substantially similar properties shall be instituted until the expiration of one year from the date of such abandonment, but such proceedings may be instituted at any time thereafter. [1945 c 130 § 3; Rem. Supp. 1945 § 10459-13. Formerly RCW 54.20.010 through 54.20.050.]

**Purpose—Severability—1945 c 130:** See notes following RCW 54.04.100.

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GENERAL PROVISIONS

**54.24.010 Treasurer—Bond—Duties—Funds—Depositaries.**

(1) The treasurer of the county in which a utility district is located shall be ex officio treasurer of the district: PROVIDED, That the commission by resolution may designate some other person having experience in financial or fiscal matters as treasurer of the utility district. The commission may require a bond, with a surety company authorized to do business in the state of Washington, in an amount and under the terms and conditions which the commission by resolution from time to time finds will protect the district against loss. The premium on any such bond shall be paid by the district.

(2) All district funds shall be paid to the treasurer and shall be disbursed by him or her only on warrants issued by an auditor appointed by the commission, upon orders or vouchers approved by it. The treasurer shall establish a public utility district fund, into which shall be paid all district funds, and he or she shall maintain such special funds as may be created by the commission, into which he or she shall place all money as the commission may, by resolution, direct.

(3) If the treasurer of the district is the treasurer of the county all district funds shall be deposited with the county depositaries under the same restrictions, contracts, and security as provided for county depositaries; if the treasurer of the district is some other person, all funds shall be deposited in such bank or banks authorized to do business in this state as the commission by resolution shall designate, and with surety bond to the district or securities in lieu thereof of the kind, no less in amount, as provided in \*RCW 36.48.020 for deposit of county funds.

(4) Such surety bond or securities in lieu thereof shall be filed or deposited with the treasurer of the district, and approved by resolution of the commission.

(5) All interest collected on district funds shall belong to the district and be deposited to its credit in the proper district funds.

(6) A district may provide and require a reasonable bond of any other person handling moneys or securities of the district: PROVIDED, That the district pays the premium thereon.

(7) If the treasurer of the district is some other person than the treasurer of the county, the commission may adopt a policy for the payment of claims or other obligations of the utility district, which are payable out of solvent funds, and may elect to pay such obligations by check or warrant. However, if the applicable fund is not solvent at the time payment is ordered, then no check may be issued and payment shall be by warrant. When checks are to be used, the commission shall designate the qualified public depository upon which the checks are to be drawn as well as the officers required or authorized to sign the checks. For the purposes of this chapter, "warrant" includes checks where authorized by this subsection. [2009 c 173 § 2; 1999 c 18 § 6; 1959 c 218 § 2; 1957 c 140 § 1; 1955 c 124 § 7. Prior: (i) 1931 c 1 § 9; RRS § 11613. (ii) 1931 c 1 § 8, part; RRS § 11612, part.]

\*Reviser's note: RCW 36.48.020 was repealed by 1984 c 177 § 21.

**54.24.012 Destruction of canceled or paid revenue obligations and interest coupons.** After any revenue obligations or interest coupons have been canceled or paid they may be destroyed as directed by the district, any provisions of chapter 40.14 RCW notwithstanding: PROVIDED, That a certificate of destruction giving full descriptive reference to the documents destroyed shall be made by the person or persons authorized to perform such destruction and one copy of the certificate shall be filed with the treasurer of the district. [1959 c 218 § 15.]

#### BONDS OR WARRANTS—1931 ACT

**54.24.018 Acquisition of property—Adoption of plan—Bonds or warrants—Special funds.** (1) 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 nonvoter approved indebtedness of the public utility district to an amount exceeding three-fourths of one percent of the value of the taxable property of the public utility district, as the term "value of the taxable property" is defined in RCW 39.36.015, 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 approval or rejection at the next general election held in such public utility district. Elections shall be held as provided in RCW 39.36.050.

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. 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 issued and sold in accordance with chapter 39.46 RCW.

(2) All bonds and warrants issued under the authority of this chapter 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.

(3) 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 revenue bonds or warrants bearing interest at such rate or rates, payable semiannually, executed in such manner, and payable at such times and places as the commission shall determine, but such bonds or warrants 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 owner 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. 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. The revenue or utility bonds or warrants may be in any form, including bearer bonds or bearer warrants, or registered bonds or registered warrants as provided in RCW 39.46.030.

(4) Notwithstanding subsection (3) of this section, any of such revenue bonds and revenue warrants may be issued and sold in accordance with chapter 39.46 RCW. [1984 c 186 § 45; 1983 c 167 § 146; 1971 c 12 § 1. Prior: 1970 ex.s. c 56 § 77; 1970 ex.s. c 42 § 33; 1969 ex.s. c 232 § 14; 1931 c 1 § 7; RRS § 11611. Formerly RCW 54.24.130 through 54.24.160.]

**Purpose—1984 c 186:** See note following RCW 39.46.110.

**Purpose—1970 ex.s. c 56:** See note following RCW 39.52.020.

*Municipal utilities: Chapter 35.92 RCW.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

## BONDS—REVENUE OBLIGATIONS—1941 ACT

**54.24.020 General obligation bonds, revenue obligations for cost of utilities.** Whenever the commission of a public utility district, organized pursuant to chapter 1 of the Laws of 1931 (sections 11605 et seq. of Remington's Revised Statutes) shall deem it advisable that the district purchase, purchase and condemn, acquire or construct any 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, including as part of such cost funds necessary for working capital for the operation of such public utility by the district and for the payment of the expenses incurred in the acquisition or construction thereof, and shall specify whether general obligation bonds or revenue obligations are to be issued to defray such cost and the amount of such general obligation bonds or revenue obligations.

The commissioners may provide in such resolution that any additional works, plants, or facilities subsequently acquired or constructed by the district for the same uses, whether or not physically connected therewith, shall be deemed additions or betterments to or extensions of such public utility. [1959 c 218 § 3; 1941 c 182 § 1; Rem. Supp. 1941 § 11611-1.]

*Revenue obligations defined: RCW 54.04.010.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.030 Revenue obligations—Special fund—Form, term, payment, etc.—Resolution of authority, contents—Contracts for future sale.** (1) Whenever the commission shall deem it advisable to issue revenue obligations for the purpose of defraying the cost or part of the cost of such public utility or any additions or betterments thereto or extensions thereof, it shall have power as a part of such plan and system to create a special fund or funds for the purpose of defraying the cost of such public utility, or additions or betterments thereto or extensions 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, and all additions or betterments thereto or extensions thereof, or any fixed amount out of, and not exceeding a fixed proportion of such revenues, or a fixed amount with-

out regard to any fixed proportion, or an amount of such revenues equal to a fixed percentage of the aggregate principal amount of revenue obligations at any time issued against the special fund or funds, and to issue and sell revenue obligations payable as to both principal and interest only out of such fund or funds.

Such revenue obligations shall bear such date or dates, mature at such time or times, be in such denominations, be in such form, either coupon or registered, as provided in RCW 39.46.030, or both, carry such registration privileges, be made transferable, exchangeable, and interchangeable, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as the commission shall by resolution determine.

Any resolution or resolutions authorizing the issuance of any revenue obligations maturing in not exceeding six years from the date thereof (hereinafter in this section referred to as "short term obligations") may contain, in addition to all other provisions authorized by this title, and as an alternate method for the payment thereof, provisions which shall be a part of the contract with the holders of the short term obligations thereby authorized as to:

(a) Refunding the short term obligations at or prior to maturity and, if so provided, outstanding bonds by the issuance of revenue bonds of the district either by the sale of bonds and application of the proceeds to the payment of the short term obligations and outstanding bonds or by the exchange of bonds for the short term obligations;

(b) Satisfying, paying, or discharging the short term obligations at the election of the district by the tender or delivery of revenue bonds of the district in exchange therefor: PROVIDED, That the aggregate principal amount of bonds shall not exceed by more than five percent the aggregate principal amount of the short term obligations, to satisfy, pay, or discharge said short term obligations for which the bonds are tendered or delivered;

(c) Exchanging or converting the short term obligations at the election of the owner thereof for or into the bonds of the district: PROVIDED, That the aggregate principal amount of the bonds shall not exceed by more than five percent the aggregate principal amount of the short term obligations to be exchanged for or converted into bonds;

(d) Pledging bonds of the district as collateral to secure payment of the short term obligations and providing for the terms and conditions of the pledge and the manner of enforcing the pledge, which terms and conditions may provide for the delivery of the bonds in satisfaction of the short term obligations: PROVIDED, That the aggregate principal amount of the bonds pledged shall not exceed by more than five percent the aggregate principal amount of the short term obligations to secure said short term obligations for which they are pledged;

(e) Depositing bonds in escrow or in trust with a trustee or fiscal agent or otherwise providing for the issuance and disposition of the bonds as security for carrying out any of the provisions in any resolution adopted pursuant to this section and providing for the powers and duties of the trustee, fiscal agent, or other depository and the terms and conditions upon which the bonds are to be issued, held and disposed of;

(f) Any other matters of like or different character which relate to any provision or provisions of any resolution adopted pursuant to this section.

A district shall have power to make contracts for the future sale from time to time of revenue obligations by which the purchasers shall be committed to purchase such revenue obligations from time to time on the terms and conditions stated in such contract; and a district shall have power to pay such consideration as it shall deem proper for such commitments.

(2) Notwithstanding subsection (1) of this section, such revenue obligations may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 147; 1959 c 218 § 4; 1941 c 182 § 2; Rem. Supp. 1941 § 11611-2.]

*Alternative authority to issue revenue bonds: RCW 39.46.150, 39.46.160.*

*Funds for reserve purposes may be included in issue amount: RCW 39.44.140.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.040 Considerations in creating special fund—Status of claims against fund—When lien attaches.** In creating any special fund for the payment of revenue obligations, the commission shall have due regard to the cost of operation and maintenance of the plant or system constructed or added to, and to any proportion or amount of the revenues previously pledged as a fund for the payment of revenue obligations, 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 revenue obligations and interest thereon issued against any such fund as herein provided shall be a valid claim of the owner thereof only as against such special fund and the proportion or amount of the revenues pledged to such fund, but shall constitute a prior charge over all other charges or claims whatsoever, including the charge or lien of any general obligation bonds against such fund and the proportion or amount of the revenues pledged thereto. Such revenue obligations shall not constitute an indebtedness of such district within the meaning of the constitutional provisions and limitations. Each revenue obligation shall state on its face that it is payable from a special fund, naming such fund and the resolution creating it, or shall describe such alternate method for the payment thereof as shall be provided by the resolution authorizing same.

It is the intention hereof that any pledge of the revenues or other moneys or obligations made by a district shall be valid and binding from the time that the pledge is made; that the revenues or other moneys or obligations so pledged and thereafter received by a district shall immediately be subject to the lien of such pledge without any physical delivery or further act, and that the lien of any such pledge shall be valid and binding as against any parties having claims of any kind in tort, contract, or otherwise against a district irrespective of whether such parties have notice thereof. Neither the resolution or other instrument by which a pledge is created need be recorded. [1983 c 167 § 148; 1959 c 218 § 5; 1941 c 182 § 5; Rem. Supp. 1941 § 11611-5.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.050 Covenants to secure owners of revenue obligations.** Any resolution creating any such special fund or authorizing the issue of revenue obligations payable therefrom, or by such alternate method of payment as may be provided therein, shall specify the title of such revenue obligations as determined by the commission and may contain covenants by the district to protect and safeguard the security and the rights of the owners thereof, including covenants as to, among other things:

(1) The purpose or purposes to which the proceeds of sale of such obligations may be applied and the use and disposition thereof;

(2) The use and disposition of the gross revenues of the public utility, and any additions or betterments thereto or extensions thereof, the cost of which is to be defrayed with such proceeds, including the creation and maintenance of funds for working capital to be used in the operation of the public utility and for renewals and replacements to the public utility;

(3) The amount, if any, of additional revenue obligations payable from such fund which may be issued and the terms and conditions on which such additional revenue obligations may be issued;

(4) The establishment and maintenance of adequate rates and charges for electric energy, water, and other services, facilities, and commodities sold, furnished, or supplied by the public utility;

(5) The operation, maintenance, management, accounting, and auditing of the public utility;

(6) The terms and prices upon which such revenue obligations or any of them may be redeemed at the election of the district;

(7) Limitations upon the right to dispose of such public utility or any part thereof without providing for the payment of the outstanding revenue obligations; and

(8) The appointment of trustees, depositaries, and paying agents to receive, hold, disburse, invest, and reinvest all or any part of the income, revenues, receipts, and profits derived by the district from the operation, ownership, and management of its public utility. [1983 c 167 § 149; 1959 c 218 § 6; 1945 c 143 § 2; 1941 c 182 § 3; Rem. Supp. 1945 § 11611-3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.060 Sale, delivery of revenue obligations.** (1) Such utility revenue obligations shall be sold and delivered in such manner, at such rate or rates of interest and for such price or prices and at such time or times as the commission shall deem for the best interests of the district. The commission may, if it deem it to the best interest of the district, provide in any contract for the construction or acquisition of the public utility, or the additions or betterments thereto or extensions thereof, that payment therefor shall be made only in such revenue obligations at the par value thereof.

(2) Notwithstanding subsection (1) of this section, such obligations may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 150; 1970 ex.s. c 56 § 78; 1969 ex.s. c 232 § 83; 1959 c 218 § 7; 1941 c 182 § 4; Rem. Supp. 1941 § 11611-4.]

**Purpose—1970 ex.s. c 56:** See note following RCW 39.52.020.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)



**54.24.070 Prima facie validity of revenue obligations.**

The state auditor need not register, certify, nor sign revenue obligations after July 26, 1981. These obligations shall be held in every action, suit, or proceeding in which their validity is or may be brought into question prima facie valid and binding obligations of the districts in accordance with their terms, notwithstanding any defects or irregularities in the proceedings for the organization of the district and the election of the commissioners thereof or for the authorization and issuance of such revenue obligations or in the sale, execution, or delivery thereof. [1981 c 37 § 1; 1959 c 218 § 8; 1941 c 182 § 6; Rem. Supp. 1941 § 11611-6.]

**54.24.080 Rates and charges—Waiver of connection charges for low-income persons.**

(1) The commission of each district which shall have revenue obligations outstanding shall have the power and shall be required to establish, maintain, and collect rates or charges for electric energy and water and other services, facilities, and commodities sold, furnished, or supplied by the district. The rates and charges shall be fair and, except as authorized by RCW 74.38.070 and by subsections (2) and (3) of this section, nondiscriminatory, and shall be adequate to provide revenues sufficient for the payment of the principal of and interest on such revenue obligations for which the payment has not otherwise been provided and all payments which the district is obligated to set aside in any special fund or funds created for such purpose, and for the proper operation and maintenance of the public utility and all necessary repairs, replacements, and renewals thereof.

(2) The commission of a district may waive connection charges for properties purchased by low-income persons from organizations exempt from tax under section 501(c)(3) of the federal internal revenue code as amended prior to the July 23, 1995. Waivers of connection charges for the same class of electric or gas utility service must be uniformly applied to all qualified property. Nothing in this subsection (2) authorizes the impairment of a contract.

(3) In establishing rates or charges for water service, commissioners may in their discretion consider the achievement of water conservation goals and the discouragement of wasteful water use practices. [1995 c 140 § 3; 1991 c 347 § 21; 1959 c 218 § 9; 1941 c 182 § 7; Rem. Supp. 1941 § 11611-7.]

**Purposes—1991 c 347:** See note following RCW 90.42.005.

**54.24.090 Funding, refunding revenue obligations.**

Whenever any district shall have outstanding any utility revenue obligations, the commission shall have power by resolution to provide for the issuance of funding or refunding revenue obligations with which to take up and refund such outstanding revenue obligations or any part thereof at the maturity thereof or before maturity if the same be by their terms or by other agreement subject to call for prior redemption, with the right in the commission to include various series and issues of such outstanding revenue obligations in a single issue of funding or refunding revenue obligations, and to issue refunding revenue obligations to pay any redemption premium payable on the outstanding revenue obligations being funded or refunded. Such funding or refunding revenue obligations shall be payable only out of a special fund created

out of the gross revenues of such public utility, and shall only be a valid claim as against such special fund and the amount of the revenues of such utility pledged to such fund. Such funding or refunding revenue obligations shall in the discretion of the commission be exchanged at par for the revenue obligations which are being funded or refunded or shall be sold in such manner, at such price and at such rate or rates of interest as the commission shall deem for the best interest of the district. Said funding or refunding [revenue] obligations shall except as specifically provided in this section, be issued in accordance with the provisions with respect to revenue obligations in chapter 182, Laws of 1941 set forth. [1970 ex.s. c 56 § 79; 1969 ex.s. c 232 § 84; 1959 c 218 § 10; 1941 c 182 § 8; Rem. Supp. 1941 c 11611-8.]

**Purpose—1970 ex.s. c 56:** See note following RCW 39.52.020.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.100 Execution of revenue obligations—Signatures.**

(1) All revenue obligations, including funding and refunding revenue obligations, shall be executed in such manner as the commission may determine: PROVIDED, That warrants may be signed as provided in RCW 54.24.010. Any interest coupons attached to any revenue obligations may be executed with facsimile or lithographed signatures, or otherwise, as the commission may determine.

(2) Notwithstanding subsection (1) of this section, such obligations may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 151; 1981 c 37 § 2; 1959 c 218 § 11; 1941 c 182 § 9; Rem. Supp. 1941 § 11611-9.]

*Facsimile signatures:* RCW 39.44.100 through 39.44.102; chapter 39.62 RCW.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.110 Laws and resolutions as contract.** The provisions of chapter 182, Laws of 1941 and the provisions of chapter 1, Laws of 1931, not hereby superseded, and of any resolution or resolutions providing for the issuance of any revenue obligations as herein set forth shall constitute a contract with the holder or holders of such revenue obligations and the agreements and covenants of the district and its commission under said acts and any such resolution or resolutions shall be enforceable by any revenue obligation holder by mandamus or any other appropriate suit or action in any court of competent jurisdiction. [1959 c 218 § 12; 1941 c 182 § 10; Rem. Supp. 1941 § 11611-10.]

*Mandamus:* RCW 7.16.150 through 7.16.280.

**54.24.120 Obligations as lawful securities and investments.**

All bonds, warrants, and revenue obligations issued under the authority of chapter 1, Laws of 1931 and chapter 182, Laws of 1941 shall be legal securities, which may be used by any bank or trust company for deposit with the state treasurer, or any county, city, or town treasurer, as security for deposits in lieu of a surety bond under any law relating to deposits of public moneys and shall constitute legal investments for trustees and other fiduciaries other than corporations doing a trust business in this state and for savings and loan associations, banks, and insurance companies doing business in this state. All such bonds, warrants, and revenue obligations and all coupons appertaining thereto shall be negotiable instruments within the meaning of and for all pur-

poses of the negotiable instruments law of this state. [1959 c 218 § 13; 1941 c 182 § 11; Rem. Supp. 1941 § 11611-11.]

*Investment securities: Article 62A.8 RCW.*

#### LOCAL IMPROVEMENT GUARANTY FUND

**54.24.200 Local improvement guaranty fund.** Every public utility district in the state is hereby authorized, by resolution, to create a fund for the purpose of guaranteeing, to the extent of such fund, and in the manner hereinafter provided, the payment of such of its local improvement bonds and/or warrants as the commission may determine issued to pay for any local improvement within any local utility district established within the boundaries of the public utility district. Such fund shall be designated "local improvement guaranty fund, public utility district No. . . .". For the purpose of maintaining such fund the public utility district shall set aside and pay into it such proportion as the commissioners may direct by resolution of the monthly gross revenues of its public utilities for which local improvement bonds and/or warrants have been issued and guaranteed by said fund: PROVIDED, HOWEVER, That any obligation to make payments into said fund as herein provided shall be junior to any pledge of said gross revenues for the payment of any outstanding or future general obligation bonds or revenue bonds of the district. The proportion may be varied from time to time as the commissioners deem expedient: PROVIDED, FURTHER, That under the existence of the conditions set forth in subdivisions (1) and (2), hereunder, and when consistent with the covenants of a public utility district securing its bonds, the proportion shall be as therein specified, to wit:

(1) When bonds and/or warrants of a local utility district have been guaranteed and are outstanding and the guaranty fund does not have a cash balance equal to twenty percent of all bonds and/or warrants originally guaranteed hereunder, excluding bonds and/or warrants which have been retired in full, then twenty percent of the gross monthly revenues from each public utility for which such bonds and/or warrants have been issued and are outstanding but not necessarily from users in other parts of the public utility district as a whole, shall be set aside and paid into the guaranty fund: PROVIDED, That when, under the requirements of this subdivision, the cash balance accumulates so that it is equal to twenty percent of the total original guaranteed bonds and/or warrants, exclusive of any issue of bonds and/or warrants of a local utility district which issue has been paid and/or redeemed in full, or equal to the full amount of all bonds and/or warrants guaranteed, outstanding and unpaid, which amount might be less than twenty percent of the original total guaranteed, then no further revenue need be set aside and paid into the guaranty fund so long as such condition continues;

(2) When warrants issued against the guaranty fund remain outstanding and uncalled, for lack of funds, for six months from date of issuance, or when bonds, warrants, or any coupons or interest payments guaranteed hereunder have been matured for six months and have not been redeemed, then twenty percent of the gross monthly revenue, or such portion thereof as the commissioners determine will be sufficient to retire the warrants or redeem the coupons, interest payments, bonds and/or warrants in the ensuing six months,

derived from all the users of the public utilities for which such bonds and/or warrants have been issued and are outstanding in whole or in part, shall be set aside and paid into the guaranty fund: PROVIDED, That when under the requirements of this subdivision all warrants, coupons, bonds and/or warrants specified in this subdivision have been redeemed and interest payments made, no further income need be set aside and paid into the guaranty fund under the requirements of this subdivision unless other warrants remain outstanding and unpaid for six months or other coupons, bonds and/or warrants default or interest payments are not made: PROVIDED, FURTHER, HOWEVER, That no more than a total of twenty percent of the gross monthly revenue shall be required to be set aside and paid into the guaranty fund by these subdivisions (1) and (2). [1983 c 167 § 152; 1957 c 150 § 1.]

*Local utility districts: RCW 54.16.120.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.210 Local improvement guaranty fund—Duties of the district.** To comply with the requirements of setting aside and paying into the local improvement guaranty fund a proportion of the monthly gross revenues of the public utilities of a district, for which guaranteed local improvement bonds and/or warrants have been issued and are outstanding, the district shall bind and obligate itself so long as economically feasible to maintain and operate the utilities and establish, maintain and collect such rates for water and/or electric energy, as the case may be, as will produce gross revenues sufficient to maintain and operate the utilities, and make necessary provision for the guaranty fund. The district shall alter its rates for water and/or electric energy, as the case may be, from time to time and shall vary them in different portions of its territory to comply with such requirements. [1957 c 150 § 2.]

**54.24.220 Local improvement guaranty fund—Warrants to meet liabilities.** When a bond, warrant, or any coupon or interest payment guaranteed by the guaranty fund matures and there are not sufficient funds in the local utility district bond redemption fund to pay it, the county treasurer shall pay it from the local improvement guaranty fund of the public utility district; if there are not sufficient funds in the guaranty fund to pay it, it may be paid by issuance and delivery of a warrant upon the local improvement guaranty fund.

When the cash balance in the local improvement guaranty fund is insufficient for the required purposes, warrants drawing interest at a rate determined by the commission may be issued by the district auditor, against the fund to meet any liability accrued against it and shall issue them upon demand of the owners of any matured coupons, bonds, interest payments, and/or warrants guaranteed hereby, or to pay for any certificate of delinquency for delinquent installments of assessments as provided hereinafter. Guaranty fund warrants shall be a first lien in their order of issuance upon the guaranty fund. [1983 c 167 § 153; 1981 c 156 § 19; 1957 c 150 § 3.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.230 Local improvement guaranty fund—Certificates of delinquency—Contents, purchase, payment,**

**issuance, sale.** Within twenty days after the date of delinquency of any annual installment of assessments levied for the purpose of paying the local improvement bonds and/or warrants of a district guaranteed hereunder, the county treasurer shall compile a statement of all installments delinquent together with the amount of accrued interest and penalty appurtenant to each installment, and shall forthwith purchase, for the district, certificates of delinquency for all such delinquent installments. Payment for the certificates shall be made from the local improvement guaranty fund and if there is not sufficient money in that fund to pay for the certificates, the county treasurer shall accept the local improvement guaranty fund warrants in payment therefor. All certificates shall be issued in the name of the local improvement guaranty fund and all guaranty fund warrants issued in payment therefor shall be issued in the name of the appropriate local utility district fund. When a market is available and the commissioners direct, the county treasurer shall sell any certificates belonging to the local improvement guaranty fund, for not less than face value thereof plus accrued interest from date of issuance to date of sale.

The certificates shall be issued by the county treasurer, shall bear interest at the rate of ten percent per year, shall each be for the face value of the delinquent installment, plus accrued interest to date of issuance, plus a penalty of five percent of the face value, and shall set forth the:

- (1) Description of property assessed;
- (2) Date the installment of assessment became delinquent; and
- (3) Name of the owner or reputed owner, if known. [1957 c 150 § 4.]

**54.24.240 Local improvement guaranty fund—Certificates of delinquency—Redemption, foreclosure.** The certificates of delinquency may be redeemed by the owner of the property assessed at any time up to two years from the date of foreclosure of the certificate.

If a certificate is not redeemed on the second occurring first day of January, after its issuance, the county treasurer shall foreclose the certificate in the manner specified for the foreclosure of the lien of local improvement assessments in cities, and if no redemption is made within the succeeding two years, from date of the decree of foreclosure, shall execute and deliver unto the public utility district, as trustee for the fund, a deed conveying fee simple title to the property described in the foreclosed certificate. [1957 c 150 § 5.]

**54.24.250 Local improvement guaranty fund—Subrogation of district as trustee of fund, effect on fund, disposition of proceeds.** When there is paid out of a guaranty fund any sum on the principal or interest upon local improvement bonds, and/or warrants, or on the purchase of certificates of delinquency, the public utility district, as trustee, for the fund, shall be subrogated to all rights of the owner of the bonds, and/or warrants, any interest coupons, or delinquent assessment installments so paid; and the proceeds thereof, or of the assessment underlying them, shall become a part of the guaranty fund. There shall also be paid into the guaranty fund the interest received from the bank deposits of the fund, as well as any surplus remaining in the local utility district funds guaranteed hereunder, after the payment of all outstanding

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bonds and/or warrants payable primarily out of such local utility district funds. As among the several issues of bonds and/or warrants guaranteed by the fund, no preference shall exist, but defaulted interest coupons and bonds and/or warrants shall be purchased out of the fund in the order of their presentation.

The commissioners shall prescribe, by resolution, appropriate rules for the guaranty fund consistent herewith. So much of the money of a guaranty fund as is necessary and not required for other purposes hereunder may be used to purchase property at county tax foreclosure sales or from the county after foreclosure in cases where the property is subject to unpaid local improvement assessments securing bonds and/or warrants guaranteed hereunder and such purchase is deemed necessary for the purpose of protecting the guaranty fund. In such cases the funds shall be subrogated to all rights of the district. After so acquiring title to real property, the district may lease or resell and convey it in the same manner that county property may be leased or resold and for such prices and on such terms as may be determined by resolution of the commissioners. All proceeds resulting from such resales shall belong to and be paid into the guaranty fund. [1983 c 167 § 154; 1957 c 150 § 6.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.24.260 Local improvement guaranty fund—Rights and remedies of bond or warrant holder which shall be printed on bond or warrant—Disposition of balance of fund.** Neither the holder nor the owner of local improvement bonds and/or warrants guaranteed hereunder shall have a claim therefor against the public utility district, except for payment from the special assessment made for the improvement for which the bonds and/or warrants were issued, and except as against the guaranty fund. The district shall not be liable to any holder or owner of such local improvement bonds and/or warrants for any loss to the guaranty fund occurring in the lawful operation thereof by the district. The remedy of the holder of a local improvement bond and/or warrant shall be confined to the enforcement of the assessment and to the guaranty fund. A copy of the foregoing part of this section shall be plainly written, printed, or engraved on each local improvement bond and/or warrant guaranteed hereby. The establishment of a guaranty fund shall not be deemed at variance from any comprehensive plan heretofore adopted by a district.

If a guaranty fund at any time has balance therein in cash, and the obligations guaranteed thereby have all been paid off, the balance may be transferred to such other fund of the district as the commissioners shall, by resolution, direct. [1957 c 150 § 7.]

**Chapter 54.28 RCW  
PRIVILEGE TAXES**

Sections

54.28.010	Definitions.
54.28.011	"Gross revenue" defined.
54.28.020	Tax imposed—Rates—Additional tax imposed.
54.28.025	Tax imposed with respect to thermal electric generating facilities—Rate—Additional tax imposed.
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54.28.140	Tax preferences—Expiration dates.

*Special benefit assessments—Property taxes—Exemptions: RCW 84.34.300 through 84.34.380.*

#### **54.28.010 Definitions.** As used in this chapter:

(1) "Operating property" means all of the property utilized by a public utility district in the operation of a plant or system for the generation, transmission, or distribution of electric energy for sale;

(2) "Taxing districts" means counties, cities, towns, school districts, and road districts;

(3) "Distributes to consumers" means the sale of electric energy to ultimate consumers thereof, and does not include sales of electric energy for resale by the purchaser;

(4) "Wholesale value" means all costs of a public utility district associated with the generation and transmission of energy from its own generation and transmission system to the point or points of inter-connection with a distribution system owned and used by a district to distribute such energy to consumers, or in the event a distribution system owned by a district is not used to distribute such energy, then the term means the gross revenues derived by a district from the sale of such energy to consumers;

(5) "Thermal electric generating facility" means a steam-powered electrical energy producing facility utilizing nuclear or fossil fuels;

(6) "Placed in operation" means delivery of energy into a transmission or distribution system for use or sale in such a manner as to establish a value accruing to the power plant operator, except operation incidental to testing or start-up adjustments;

(7) "Impacted area" for a thermal electric generating facility on a federal reservation means that area in the state lying within thirty-five statute miles of the most commonly used entrance of the federal reservation and which is south of the southern boundary of township fifteen north. [1977 ex.s. c 366 § 1; 1967 ex.s. c 26 § 22; 1959 c 274 § 1; 1957 c 278 § 7. Prior: (i) 1941 c 245 § 1, part; Rem. Supp. 1941 § 11616-1, part. (ii) 1949 c 227 § 1(f); Rem. Supp. 1949 § 11616-2(f).]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.28.011 "Gross revenue" defined.** "Gross revenue" means the amount received from the sale of electric energy, which also includes any regularly recurring charge billed to consumers as a condition of receiving electric energy, and excluding any tax levied by a municipal corporation upon the district pursuant to RCW 54.28.070. [2010 1st sp.s. c 23 § 1001; 1957 c 278 § 12.]

**Findings—Intent—2010 1st sp.s. c 23:** See notes following RCW 82.04.220.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.28.020 Tax imposed—Rates—Additional tax imposed.** (1) There is hereby levied and there shall be collected from every district a tax for the act or privilege of engaging within this state in the business of operating works, plants or facilities for the generation, distribution and sale of electric energy. With respect to each such district, except with respect to thermal electric generating facilities taxed under RCW 54.28.025, such tax shall be the sum of the following amounts: (a) Two percent of the gross revenues derived by the district from the sale of all electric energy which it distributes to consumers who are served by a distribution system owned by the district; (b) five percent of the first four mills per kilowatt-hour of wholesale value of self-generated energy distributed to consumers by a district; (c) five percent of the first four mills per kilowatt-hour of revenue obtained by the district from the sale of self-generated energy for resale.

(2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section. [1983 2nd ex.s. c 3 § 8; 1982 1st ex.s. c 35 § 18; 1977 ex.s. c 366 § 2; 1959 c 274 § 2; 1957 c 278 § 2. Prior: 1949 c 227 § 1(a); 1947 c 259 § 1(a); 1941 c 245 § 2(a); Rem. Supp. 1949 § 11616-2(a).]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

#### **54.28.025 Tax imposed with respect to thermal electric generating facilities—Rate—Additional tax imposed.**

(1) There is hereby levied and there shall be collected from every district operating a thermal electric generating facility, as defined in RCW 54.28.010 as now or hereafter amended, having a design capacity of two hundred fifty thousand kilowatts or more, located on a federal reservation, which is placed in operation after September 21, 1977, a tax for the act or privilege of engaging within the state in the business of generating electricity for use or sale, equal to one and one-half percent of wholesale value of energy produced for use or sale, except energy used in the operation of component parts of the power plant and associated transmission facilities under control of the person operating the power plant.

(2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section. [1983 2nd ex.s. c 3 § 9; 1982 1st ex.s. c 35 § 19; 1977 ex.s. c 366 § 6.]

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

#### **54.28.040 Tax computed—Payment—Penalties—Disposition.**

(1) Before May 1st of each calendar year through calendar year 2018, the department of revenue must compute the tax imposed by this chapter for the last preceding calendar year and notify the district of the amount thereof, which shall be payable on or before the following June 1st.

(2) For tax reporting periods beginning on or after January 1, 2018, taxpayers must report the taxes due under RCW 54.28.020 and 54.28.025 on returns as prescribed by the department of revenue. Except as otherwise provided in this subsection (2), taxes imposed in RCW 54.28.020 and 54.28.025 are due for a taxpayer at the same time as the taxpayer's payment of taxes imposed under chapters 82.04 and

82.16 RCW. The department of revenue may allow taxpayers to report and pay the taxes due under RCW 54.28.020 and 54.28.025 on an annual basis, even if they report taxes imposed under chapters 82.04 and 82.16 RCW more frequently than annually. In such cases, the taxes imposed in RCW 54.28.020 and 54.28.025 are due on or before February 25th of the year immediately following the end of the year for which the taxes are being reported and paid.

(3) The department of revenue may require persons to report such information as needed by the department to administer this chapter.

(4)(a) Upon receipt of the amount of each tax imposed the department of revenue shall deposit the same with the state treasurer, who must deposit four percent of the revenues received under RCW 54.28.020(1) and 54.28.025(1) and all revenues received under RCW 54.28.020(2) and 54.28.025(2) in the general fund of the state and must distribute the remainder in the manner hereinafter set forth. The state treasurer must send a duplicate copy of each transmittal to the department of revenue.

(b) The state treasurer must distribute the taxes collected by the department under this chapter monthly at the same time distributions of local sales and use taxes are made in accordance with chapter 82.14 RCW. [2021 c 145 § 1; 2017 c 323 § 103; 1996 c 149 § 16; 1982 1st ex.s. c 35 § 20; 1975 1st ex.s. c 278 § 31; 1957 c 278 § 4. Prior: 1949 c 227 § 1(c); 1947 c 259 § 1(c); 1941 c 245 § 2(c); Rem. Supp. 1949 § 11616-2(c).]

**Existing rights—Affect of repeal—2017 c 323:** "The repeal in section 102 of this act and the amendments in section 103 of this act do not affect any existing right acquired or liability or obligation incurred under the sections repealed or amended or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections." [2017 c 323 § 109.]

**Repeal of RCW 54.28.030—Application—2017 c 323:** "Section 102 of this act does not apply with respect to reports due under RCW 54.28.030 in calendar year 2018 or any preceding calendar year." [2017 c 323 § 108.]

**Effective dates—2017 c 323 §§ 101-109:** See note following RCW 54.28.125.

**Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323:** See note following RCW 82.04.040.

**Findings—Intent—Effective date—1996 c 149:** See notes following RCW 82.32.050.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.28.050 Distribution of tax.** (1) Except as provided in subsection (2) of this section, the department of revenue must instruct the state treasurer, after placing thirty-seven and six-tenths percent of the taxes collected under RCW 54.28.020(1) in the state general fund to be dedicated for the benefit of the public schools, to distribute the balance collected under RCW 54.28.020(1)(a) to each county in proportion to the gross revenue from sales made within each county; and to distribute the balance collected under RCW 54.28.020(1) (b) and (c) as follows:

(a) If the entire generating facility, including reservoir, if any, is in a single county then all of the balance to the county where such generating facility is located;

(b) If any reservoir is in more than one county, then to each county in which the reservoir or any portion thereof is located a percentage equal to the percentage determined by dividing the total cost of the generating facilities, including

adjacent switching facilities, into twice the cost of land and land rights acquired for any reservoir within each county, land and land rights to be defined the same as used by the federal energy regulatory commission;

(c) If the powerhouse and dam, if any, in connection with such reservoir are in more than one county, the balance must be divided sixty percent to the county in which the owning district is located and forty percent to the other county or counties or if the powerhouse and dam, if any, are owned by a joint operating agency organized under chapter 43.52 RCW, or by more than one district or are outside the county of the owning district, then to be divided equally between the counties in which such facilities are located. If all of the powerhouse and dam, if any, are in one county, then the balance must be distributed to the county in which the facilities are located.

(2) The department of revenue must instruct the state treasurer to adjust distributions under this section, in whole or in part, to account for each county's proportionate share of amounts previously distributed under this section and subsequently refunded to a public utility district under RCW 82.32.060.

(3) The provisions of this section do not apply to the distribution of taxes collected under RCW 54.28.025. [2017 c 323 § 104; 1982 1st ex.s. c 35 § 21; 1980 c 154 § 8; 1977 ex.s. c 366 § 4; 1975 1st ex.s. c 278 § 32; 1959 c 274 § 4; 1957 c 278 § 5. Prior: 1949 c 227 § 1(d); 1947 c 259 § 1(d); 1941 c 245 § 2(d); Rem. Supp. 1949 § 11616-2(d).]

**Effective dates—2017 c 323 §§ 101-109:** See note following RCW 54.28.125.

**Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323:** See note following RCW 82.04.040.

**Purpose—Effective dates—Savings—Disposition of certain funds—Severability—1980 c 154:** See notes following chapter 82.45 RCW digest.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.28.055 Distribution of tax proceeds from thermal electric generating facilities.** (1) Except as provided in subsection (3) of this section, the department of revenue must instruct the state treasurer to distribute the amount collected under RCW 54.28.025(1) as follows:

(a) Fifty percent to the state general fund for the support of schools; and

(b) Twenty-two percent to the counties, twenty-three percent to the cities, three percent to the fire protection districts, and two percent to the library districts.

(2) Each county, city, fire protection district, and library district must receive a percentage of the amount for distribution to counties, cities, fire protection districts, and library districts, respectively, in the proportion that the population of such district residing within the impacted area bears to the total population of all such districts residing within the impacted area. For the purposes of this chapter, the term "library district" includes only regional libraries, rural county library districts, intercounty rural library districts, and island library districts as those terms are defined in RCW 27.12.010. The population of a library district, for purposes of such a distribution, does not include any population within the library district and the impact area that also is located within a city or town.

(3) Distributions under this section must be adjusted as follows:

(a) If any distribution pursuant to subsection (1)(b) of this section cannot be made, then that share must be prorated among the state and remaining local districts.

(b) The department of revenue must instruct the state treasurer to adjust distributions under this section, in whole or in part, to account for each county's, city's, fire protection district's, and library district's proportionate share of amounts previously distributed under this section and subsequently refunded to a public utility district under RCW 82.32.060.

(4) All distributions directed by this section to be made on the basis of population must be calculated in accordance with population data as last determined by the office of financial management. [2021 c 145 § 2; 2017 3rd sp.s. c 28 § 502; (2017 3rd sp.s. c 28 § 501 expired January 1, 2018); 2017 c 323 § 105; 1986 c 189 § 1; 1982 1st ex.s. c 35 § 22; 1979 c 151 § 165; 1977 ex.s. c 366 § 7.]

**Expiration date—2017 3rd sp.s. c 28 § 501:** "Section 501 of this act expires January 1, 2018." [2017 3rd sp.s. c 28 § 607.]

**Existing rights and liability—Severability—Application—Effective dates—2017 3rd sp.s. c 28:** See notes following RCW 82.08.0531.

**Effective dates—2017 c 323 §§ 101-109:** See note following RCW 54.28.125.

**Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323:** See note following RCW 82.04.040.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.28.060 Interest.** Interest at the rate as computed under RCW 82.32.050(2) shall be added to the tax hereby imposed from the due date until the date of payment. The tax shall constitute a debt to the state and may be collected as such. [1996 c 149 § 12; 1957 c 278 § 6. Prior: 1949 c 227 § 1(e); 1947 c 259 § 1(e); 1941 c 245 § 2(e); Rem. Supp. 1949 § 11616-2(e).]

**Findings—Intent—Effective date—1996 c 149:** See notes following RCW 82.32.050.

**54.28.070 Municipal taxes—May be passed on.** Any city or town in which a public utility district operates works, plants or facilities for the distribution and sale of electricity shall have the power to levy and collect from such district a tax on the gross revenues derived by such district from the sale of electricity within the city or town, exclusive of the revenues derived from the sale of electricity for purposes of resale. Such tax when levied shall be a debt of the district, and may be collected as such. Any such district shall have the power to add the amount of such tax to the rates or charges it makes for electricity so sold within the limits of such city or town. [1941 c 245 § 3; Rem. Supp. 1941 § 11616-3.]

**54.28.080 Additional tax for payment on bonded indebtedness of school districts.** Whenever any district acquires an operating property from any private person, firm, or corporation and a portion of the operating property is situated within the boundaries of any school district and at the time of such acquisition there is an outstanding bonded indebtedness of the school district, then the public utility district shall, in addition to the tax imposed by this chapter, pay directly to the school district a proportion of all subsequent payments by the school district of principal and interest on

said bonded indebtedness, said additional payments to be computed and paid as follows: The amount of principal and interest required to be paid by the school district shall be multiplied by the percentage which the assessed value of the property acquired bore to the assessed value of the total property in the school district at the time of such acquisition. Such additional amounts shall be paid by the public utility district to the school district not less than fifteen days prior to the date that such principal and interest payments are required to be paid by the school district. In addition, any public utility district which acquires from any private person, firm, or corporation an operating property situated within a school district, is authorized to make voluntary payments to such school district for the use and benefit of the school district. [1957 c 278 § 8. Prior: 1949 c 227 § 1(g); 1941 c 245 § 2; Rem. Supp. 1949 § 11616-2(g).]

**54.28.090 Deposit of funds to credit of certain taxing districts—Retention and distribution of tax proceeds for county with district owned by another county.** (1) The county legislative authority of each county must direct the county treasurer to deposit funds to the credit of each taxing district in the county, other than school districts, according to the manner they deem most equitable; except not less than an amount equal to three-fourths of one percent of the gross revenues obtained by a district from the sale of electric energy within any incorporated city or town must be remitted to such city or town. Information furnished by the district to the county legislative authority must be the basis for the determination of the amount to be paid to such cities or towns under this subsection.

(2) In the event that a county receives tax proceeds under RCW 54.28.050 because a public utility district operated by another county owns fee title to property in a city or town in the county that receives such tax proceeds, and that city or town adjoins a reservoir on the Columbia river wholly or partially created by such district's hydroelectric facility which began commercial power generation in 1967, but the district has no sales of electrical energy in that city or town, the county may retain seventy percent of such tax proceeds. The county must remit the remainder of the tax proceeds to the city or town in which the district owns fee title to property but has no sales of electrical energy. If the district owns fee title to property in more than one city or town in the county receiving such tax proceeds, and has no sales of electrical energy in those cities or towns, the remainder of the tax must be divided evenly among all such cities and towns.

(3) The provisions of this section do not apply to the distribution of taxes collected under RCW 54.28.025. [2011 c 361 § 1; 1980 c 154 § 9; 1977 ex.s. c 366 § 5; 1957 c 278 § 10.]

**Purpose—Effective dates—Savings—Disposition of certain funds—Severability—1980 c 154:** See notes following chapter 82.45 RCW digest.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.28.100 Use of moneys received by taxing district.** All moneys received by any taxing district shall be used for purposes for which state taxes may be used under the provisions of the state constitution. [1957 c 278 § 11.]

*Revenue and taxation: State Constitution Art. 7.*

**54.28.110 Voluntary payments by district to taxing entity for removal of property from tax rolls.** Whenever, hereafter, property is removed from the tax rolls as a result of the acquisition of operating property or the construction of a generating plant by a public utility district, such public utility district may make voluntary payments to any municipal corporation or other entity authorized to levy and collect taxes in an amount not to exceed the amount of tax revenues being received by such municipal corporation or other entity at the time of said acquisition or said construction and which are lost by such municipal corporation or other entity as a result of the acquisition of operating property or the construction of a generating plant by the public utility district: PROVIDED, That this section shall not apply to taxing districts as defined in RCW 54.28.010, and: PROVIDED FURTHER, That in the event any operating property so removed from the tax rolls is dismantled or partially dismantled the payment which may be paid hereunder shall be correspondingly reduced. [1957 c 278 § 13.]

**54.28.120 Amount of tax if district acquires electric utility property from public service company.** In the event any district hereafter purchases or otherwise acquires electric utility properties comprising all or a portion of an electric generation and/or distribution system from a public service company, as defined in RCW 80.04.010, the total amount of privilege taxes imposed under chapter 278, Laws of 1957 to be paid by the district annually on the combined operating property within each county where such utility property is located, irrespective of any other basis of levy contained in this chapter, will be not less than the combined total of the ad valorem taxes, based on regular levies, last levied against the electric utility property constituting the system so purchased or acquired plus the taxes paid by the district for the same year on the revenues of other operating property in the same county under terms of this chapter. If all or any portion of the property so acquired is subsequently sold, or if rates charged to purchasers of electric energy are reduced, the amount of privilege tax required under this section shall be proportionately reduced. [1957 c 278 § 14.]

**54.28.125 Public utility district privilege tax—Tools for administration.** (1) The following provisions of chapter 82.32 RCW apply with respect to the state taxes administered by the department of revenue under this chapter, unless the context clearly requires otherwise: RCW 82.32.050, 82.32.060, 82.32.070, 82.32.080, 82.32.085, 82.32.090, 82.32.100, 82.32.105, 82.32.110, 82.32.117, 82.32.120, 82.32.130, 82.32.135, 82.32.150, 82.32.160, 82.32.170, 82.32.180, 82.32.190, 82.32.200, 82.32.210, 82.32.235, 82.32.237, 82.32.240, 82.32.270, 82.32.310, 82.32.320, 82.32.330, 82.32.340, 82.32.350, 82.32.360, 82.32.410, and any other provision of chapter 82.32 RCW specifically referred in the statutes listed in this subsection (1).

(2) Chapter 82.32 RCW also applies with respect to the state taxes administered by the department of revenue under this chapter to the extent provided in any other provision of law.

(3) The definitions in this chapter have full force and application with respect to the application of chapter 82.32

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RCW to this chapter unless the context clearly requires otherwise. [2017 c 323 § 101.]

**Effective dates—2017 c 323 §§ 101-109:** "(1) Except as otherwise provided in this section, part I of this act takes effect January 1, 2018.

(2) Section 102 of this act takes effect April 1, 2018." [2017 c 323 § 1102.]

**Tax preference performance statement exemption—Automatic expiration date exemption—2017 c 323:** See note following RCW 82.04.040.

**54.28.140 Tax preferences—Expiration dates.** (1) See RCW 82.32.805 for the expiration date of new tax preferences for the tax imposed under this chapter.

(2) See RCW 82.32.808 for reporting requirements for any new tax preference for the tax imposed under this chapter. [2013 2nd sp.s. c 13 § 1722.]

**Effective date—2013 2nd sp.s. c 13:** See note following RCW 82.04.43393.

## Chapter 54.32 RCW

### CONSOLIDATION AND ANNEXATION

#### Sections

54.32.001	Actions subject to review by boundary review board.
54.32.010	Consolidation of districts—Property taxed—Boundaries enlarged.
54.32.040	Right of countywide utility district to acquire distribution properties.

*Annexation of territory: RCW 54.04.035.*

**54.32.001 Actions subject to review by boundary review board.** Actions taken under chapter 54.32 RCW may be subject to potential review by a boundary review board under chapter 36.93 RCW. [1989 c 84 § 49.]

**54.32.010 Consolidation of districts—Property taxed—Boundaries enlarged.** 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 percent 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 nowise 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 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 percent 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.

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. [1931 c 1 § 10; RRS § 11614. Formerly RCW 54.32.010 through 54.32.030.]

**Reviser's note:** \*(1) Rem. Comp. Stat. §§8909, 8910, and 8911 relating to the consolidation of municipal corporations had been repealed and reenacted by 1929 c 64 at the time the above section was enacted. 1929 c 64 was compiled as RRS § 8909-1 through 8909-12; see chapter 35.10 RCW.

\*\*\*(2) Rem. Comp. Stat. §8894 became chapter 35.12 RCW. RCW 35.12.010, the only section in that chapter, was repealed by 1969 ex.s. c 89 § 18.

**54.32.040 Right of countywide utility district to acquire distribution properties.** Upon the formation of a countywide public utility district in any county such district shall have the right, in addition to any other right provided by law, to acquire by purchase or condemnation any electrical distribution properties in the county from any other public utility district or combination of public utility districts for a period of five years from the time of organization of said public utility district. [1951 c 272 § 2.]

*Acquisition of electrical distribution property from public utility district by cities and towns: RCW 35.92.054.*

## Chapter 54.36 RCW

### LIABILITY TO OTHER TAXING DISTRICTS

#### Sections

54.36.010	Definitions.
54.36.020	Increased financial burden on school district—Determination of number of construction pupils.
54.36.030	Compensation of school district for construction pupils—Computation.
54.36.040	Compensation of school district for construction pupils—Amount to be paid.
54.36.050	Compensation of school district for construction pupils—How paid when more than one project in the same school district.
54.36.060	Power to make voluntary payments to school district for capital construction.
54.36.070	Increased financial burden on county or other taxing district—Power to make payments.
54.36.080	Funds received by school district—Equalization apportionment.

**54.36.010 Definitions.** As used in this chapter:

"Public utility district" means public utility district or districts or a joint operating agency or agencies.

"Construction project" means the construction of generating facilities by a public utility district. It includes the relocation of highways and railroads, by whomever done, to the extent that it is occasioned by the overflowing of their former locations, or by destruction or burying incident to the construction.

"Base-year enrollment" means the number of pupils enrolled in a school district on the first of May next preceding the date construction was commenced.

"Subsequent-year enrollment" means the number of pupils enrolled in a school district on any first of May after construction was commenced.

"Construction pupils" means pupils who have a parent who is a full time employee on the construction project and who moved into the school district subsequent to the first day of May next preceding the day the construction was commenced.

"Nonconstruction pupils" means other pupils. [1975 1st ex.s. c 10 § 1; 1973 1st ex.s. c 154 § 99; 1957 c 137 § 1.]

*Operating agencies: Chapter 43.52 RCW.*

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.36.020 Increased financial burden on school district—Determination of number of construction pupils.**

When as the result of a public utility district construction project a school district considers it is suffering an increased financial burden in any year during the construction project, it shall determine the number of construction pupils enrolled in the school district on the first of May of such year. [1957 c 137 § 2.]

**54.36.030 Compensation of school district for construction pupils—Computation.** If the subsequent-year enrollment exceeds one hundred and three percent of the base-year enrollment, the public utility district shall compensate the school district for a number of construction pupils computed as follows:

(1) If the subsequent-year enrollment of nonconstruction pupils is less than the base-year enrollment, compensation shall be paid for the total number of all pupils minus one hundred and three percent of the base-year enrollment.

(2) If the subsequent-year enrollment of nonconstruction pupils is not less than the base-year enrollment, compensation shall be paid for the total number of construction pupils minus three percent of the base-year enrollment. [1957 c 137 § 3.]

**54.36.040 Compensation of school district for construction pupils—Amount to be paid.** The compensation to be paid per construction pupils as computed in RCW 54.36.030 shall be one-third of the average per-pupil cost of the local school district, for the school year then current. [1957 c 137 § 4.]

**54.36.050 Compensation of school district for construction pupils—How paid when more than one project in the same school district.** If more than one public utility district or joint operating agency is carrying on a construction project in the same school district, the number of construction pupils for whom the school district is to receive compensation shall be computed as if the projects were constructed by a single agency. The public utility districts or joint operating agencies involved shall divide the cost of such compensation between themselves in proportion to the number of construction pupils occasioned by the operations of each. [1957 c 137 § 5.]

**54.36.060 Power to make voluntary payments to school district for capital construction.** Public utility districts are hereby authorized to make voluntary payments to a school district for capital construction if their construction projects cause an increased financial burden for such purpose on the school district. [1957 c 137 § 6.]



**54.36.070 Increased financial burden on county or other taxing district—Power to make payments.** Public utilities are hereby authorized to make payments to a county or other taxing district in existence before the commencement of construction on the construction project which suffers an increased financial burden because of their construction projects, but such amount shall not be more than the amount by which the property taxes levied against the contractors engaged in the work on the construction project failed to meet said increased financial burden. [1957 c 137 § 7.]

**54.36.080 Funds received by school district—Equalization apportionment.** The funds paid by a public utility district to a school district under the provisions of this chapter shall not be considered a school district receipt by the superintendent of public instruction in determining equalization apportionments under \*RCW 28.41.080. [1957 c 137 § 8.]

\*Reviser's note: RCW 28.41.080 was repealed by 1965 ex.s. c 154 § 12; as a part thereof said section concludes with the following proviso ". . . PROVIDED, That the provisions of such statutes herein repealed insofar as they are expressly or impliedly adopted by reference or otherwise referred to in or for the benefit of any other statutes, are hereby preserved for such purposes."

**Chapter 54.40 RCW**

**FIVE COMMISSIONER DISTRICTS**

Sections

- 54.40.010 Five commissioner districts—Requirements.
- 54.40.020 Existing districts—Qualifications—Voters' approval.
- 54.40.030 Transmittal of copies of federal hydroelectric license to county auditor.
- 54.40.040 Criteria, election to reclassify as a five commissioner district—Ballot form—Vote required.
- 54.40.050 Petition for reclassification—Certificate of sufficiency—Election.
- 54.40.060 Division of district.
- 54.40.070 Special election for commissioners from districts—Terms.

**54.40.010 Five commissioner districts—Requirements.** A five commissioner public utility district is a district that (1) either: (a) Has or had a license from the federal power commission to construct a hydroelectric project of an estimated cost of more than two hundred and fifty million dollars, including interest during construction; or (b) has a population of five hundred thousand or more; and (2) voters of the district approved a ballot proposition authorizing the district to become a five commissioner district as provided under RCW 54.40.040. All other public utility districts shall be known as three commissioner districts. [1994 c 223 § 57; 1977 ex.s. c 36 § 1; 1959 c 265 § 2.]

**54.40.020 Existing districts—Qualifications—Voters' approval.** Every public utility district which on September 21, 1977, shall be in existence and have such a license shall be qualified to become a five commissioner district upon approval of the voters of said district, and every public utility district which on September 21, 1977, shall have become a first-class district as previously provided by chapter 265, Laws of 1959 shall be a five commissioner district. [1977 ex.s. c 36 § 2; 1959 c 265 § 3.]

(2022 Ed.)

**54.40.030 Transmittal of copies of federal hydroelectric license to county auditor.** Within five days after a public utility district shall receive a license from the federal power commission to construct a hydroelectric project of an estimated cost of more than two hundred and fifty million dollars, including interest during construction, or, in the case of a district which on September 21, 1977, is in existence and has such a license within five days of September 21, 1977, the district shall forward a true copy of said license, certified by the secretary of the district, to the county auditor of the county wherein said district is located. [1977 ex.s. c 36 § 3; 1959 c 265 § 4.]

**54.40.040 Criteria, election to reclassify as a five commissioner district—Ballot form—Vote required.** A public utility district that has or had a license from the federal power commission to construct a hydroelectric project of an estimated cost of more than two hundred fifty million dollars, including interest during construction, or has a population of five hundred thousand or more, shall be classified as a five commissioner district if voters of the district approve a ballot proposition authorizing the change. In submitting the question to the voters for their approval or rejection, the proposition shall be expressed on the ballot in substantially the following terms:

Shall Public Utility District No. . . . . be reclassified a Five Commissioner District for the purpose of increasing the number of commissioners to five . . . . . YES   
NO

Should a majority of the voters voting on the question approve the proposition, the district shall be declared a five commissioner district upon the certification of the election returns. [1994 c 223 § 58; 1977 ex.s. c 36 § 4; 1959 c 265 § 5.]

**54.40.050 Petition for reclassification—Certificate of sufficiency—Election.** The question of reclassification of a public utility district that has or had a license from the federal power commission to construct a hydroelectric project of an estimated cost of more than two hundred fifty million dollars, including interest during construction, or has a population of five hundred thousand or more, as a five commissioner public utility district shall be submitted to the voters if a petition proposing the change is filed with the county auditor of the county in which the district is located, identifying the district by number and praying that an election be held to determine whether it shall become a five commissioner district. The petition must be signed by a number of registered voters of the district equal to at least ten percent of the number of registered voters in the district who voted at the last general election and include each signer's residence address.

The petition shall be filed with the county auditor for verification of the validity of the signatures. Within thirty days after receipt of the petition, the county auditor shall determine the sufficiency of the petition. If the petition is found insufficient, the person who filed the same shall be notified by mail and he or she shall have an additional fifteen days from the date of mailing such notice within which to

submit additional signatures, and the county auditor shall have an additional thirty days after the submission of such additional signatures to determine the validity of the entire petition. No signature may be withdrawn after the petition has been filed.

If the petition, including these additional signatures if any, is found sufficient, the county auditor shall certify its sufficiency to the public utility district and if the commissioners of the public utility district had certified to the county auditor the eligibility of the district for reclassification as provided in this chapter, the county auditor shall submit to the voters of the district the question of whether the district shall become a five commissioner district. The election shall be held at the next state general election occurring sixty or more days after the petition was certified as having sufficient valid signatures. [2010 c 8 § 17009; 1994 c 223 § 59; 1977 ex.s. c 36 § 5; 1959 c 265 § 6.]

**54.40.060 Division of district.** If the reclassification to a five commissioner district is approved by the voters, the public utility district commission within sixty days after the results of said election are certified shall divide the public utility district into two districts of as nearly equal population as possible, and shall designate the districts as District A and District B. [1994 c 223 § 60; 1977 ex.s. c 36 § 6; 1959 c 265 § 7.]

**54.40.070 Special election for commissioners from districts—Terms.** Within thirty days after the public utility district commission divides the district into District A and District B, the county legislative authority shall call a special election, to be held at the next special election date provided for under RCW 29A.04.321 that occurs sixty or more days after the call, at which time the initial commissioners for District A and District B shall be elected. No primary shall be held and a special filing period shall be opened as provided in RCW 29A.24.171 and 29A.24.181. The person receiving the greatest number of votes for each position shall be elected.

The person who is elected receiving the greatest number of votes shall be elected to a four-year term of office, and the other person who is elected shall be elected to a two-year term of office, if the election is held in an even-numbered year, or the person who is elected receiving the greatest number of votes shall be elected to a three-year term of office, and the other person who is elected shall be elected to a one-year term of office, if the election is held in an odd-numbered year. The length of these terms of office shall be calculated from the first day in January in the year following their elections.

The newly elected commissioners shall assume office immediately after being elected and qualified and shall serve until their successors are elected and qualified and assume office in accordance with RCW 29A.60.280. Each successor shall be elected to a four-year term of office. [2015 c 53 § 86; 1994 c 223 § 61; 1977 ex.s. c 36 § 7; 1959 c 265 § 8.]

## Chapter 54.44 RCW

### NUCLEAR, THERMAL, ELECTRIC GENERATING POWER FACILITIES—JOINT DEVELOPMENT

#### Sections

54.44.010	Declaration of public purpose.
54.44.020	Authority to participate in and enter into agreements—Percentage of ownership—Expenses—Taxes—Payments.
54.44.030	Liability of city, joint operating agency, or public utility district—Extent—Limitations.
54.44.040	Authority to provide money and/or property, issue revenue bonds—Declaration of public purpose.
54.44.050	Depositories—Disbursement of funds.
54.44.060	Agreements to conform to applicable laws.
54.44.900	Liberal construction—Not to affect existing acts.

**54.44.010 Declaration of public purpose.** It is declared to be in the public interest and for a public purpose that cities of the first class, public utility districts, joint operating agencies organized under chapter 43.52 RCW, regulated electrical companies and, rural electrical cooperatives including generation and transmission cooperatives be permitted to participate together in the development of nuclear and other thermal power facilities and transmission facilities as hereinafter provided as one means of achieving economies of scale and thereby promoting the economic development of the state and its natural resources to meet the future power needs of the state and all its inhabitants. [1975-'76 2nd ex.s. c 72 § 1; 1973 1st ex.s. c 7 § 1; 1967 c 159 § 1.]

**Legislative finding—Emergency—1973 1st ex.s. c 7:** "The legislature finds that the immediate planning, financing, acquisition and construction of electric generating and transmission facilities as provided in sections 1 through 6 of this 1973 amendatory act is a public necessity to meet the power requirements of the public utility districts, cities, joint operating agencies and regulated utilities referred to in sections 1 through 6 of this 1973 amendatory act and the inhabitants of this state; further that such public utility districts, cities, joint operating agencies and regulated utilities are ready, willing and able to undertake such planning, financing, acquisition and construction of said electric generating and transmission facilities immediately upon the passage of sections 1 through 6 of this 1973 amendatory act. This 1973 amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately." [1973 1st ex.s. c 7 § 7.]

*Energy facilities, site locations:* Chapter 80.50 RCW.

*Nuclear energy and radiation:* Chapter 70A.388 RCW.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.44.020 Authority to participate in and enter into agreements—Percentage of ownership—Expenses—Taxes—Payments.** (1) Except as provided in subsections (2) and (3) of this section, cities of the first class, public utility districts organized under chapter 54.08 RCW, and joint operating agencies organized under chapter 43.52 RCW, any such cities and public utility districts which operate electric generating facilities or distribution systems and any joint operating agency shall have power and authority to participate and enter into agreements with each other and with electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the public utility commissioner of Oregon, hereinafter called "regulated utilities", and with rural electric cooperatives, including generation and transmission cooperatives for the undivided ownership of any type of electric generating plants and facilities, including, but not limited to, nuclear and other thermal power generating plants and facilities and transmission facilities including, but not limited to, related transmis-

sion facilities, hereinafter called "common facilities", and for the planning, financing, acquisition, construction, operation and maintenance thereof. It shall be provided in such agreements that each city, public utility district, or joint operating agency shall own a percentage of any common facility equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof and shall own and control a like percentage of the electrical output thereof.

(2) Cities of the first class, public utility districts organized under chapter 54.08 RCW, and joint operating agencies organized under chapter 43.52 RCW, shall have the power and authority to participate and enter into agreements for the undivided ownership of a coal-fired thermal electric generating plant and facility placed in operation before July 1, 1975, including related common facilities, and for the planning, financing, acquisition, construction, operation, and maintenance of the plant and facility. It shall be provided in such agreements that each city, public utility district, or joint operating agency shall own a percentage of any common facility equal to the percentage of the money furnished or the value of property supplied by the city, district, or agency, for the acquisition and construction of the facility, and shall own and control a like percentage of the electrical output thereof. Cities of the first class, public utility districts, and joint operating agencies may enter into agreements under this subsection with each other, with regulated utilities, with rural electric cooperatives, with electric companies subject to the jurisdiction of the regulatory commission of any other state, and with any power marketer subject to the jurisdiction of the federal energy regulatory commission.

(3)(a) Except as provided in subsections (1) and (2) of this section, cities of the first class, counties with a biomass facility authorized under RCW 36.140.010, public utility districts organized under chapter 54.08 RCW, any cities that operate electric generating facilities or distribution systems, any joint operating agency organized under chapter 43.52 RCW, or any separate legal entity comprising two or more thereof organized under chapter 39.34 RCW shall, either directly or as co-owners of a separate legal entity, have power and authority to participate and enter into agreements described in (b) and (c) of this subsection with each other, and with any of the following, either directly or as co-owners of a separate legal entity:

(i) Any public agency, as that term is defined in RCW 39.34.020;

(ii) Electrical companies that are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any state; and

(iii) Rural electric cooperatives and generation and transmission cooperatives or any wholly owned subsidiaries of either rural electric cooperatives or generation and transmission cooperatives.

(b) Except as provided in (b)(i)(B) of this subsection (3), agreements may provide for:

(i)(A) The undivided ownership, or indirect ownership in the case of a separate legal entity, of common facilities that include any type of electric generating plant generating an eligible renewable resource, as defined in RCW 19.285.030, and transmission facilities including, but not limited to, related transmission facilities, and for the planning, financ-

ing, acquisition, construction, operation, and maintenance thereof;

(B) For counties with a biomass facility authorized under RCW 36.140.010, the provisions in (b)(i)(A) of this subsection (3) are limited to the purposes of RCW 36.140.010; and

(ii) The formation, operation, and ownership of a separate legal entity that may own the common facilities.

(c) Agreements must provide that each city, county, public utility district, or joint operating agency:

(i) Owns a percentage of any common facility or a percentage of any separate legal entity equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof; and

(ii) Owns and controls, or has a right to own and control in the case of a separate legal entity, a like percentage of the electrical output thereof.

(d) Any entity in which a public utility district participates, either directly or as co-owner of a separate legal entity, in constructing or developing a common facility pursuant to this subsection shall comply with the provisions of chapter 39.12 RCW.

(4) Each participant shall defray its own interest and other payments required to be made or deposited in connection with any financing undertaken by it to pay its percentage of the money furnished or value of property supplied by it for the planning, acquisition and construction of any common facility, or any additions or betterments thereto. The agreement shall provide a uniform method of determining and allocating operation and maintenance expenses of the common facility.

(5) Each city, county acting under RCW 36.140.010, public utility district, joint operating agency, regulated utility, and cooperatives participating in the direct or indirect ownership or operation of a common facility described in subsections (1) through (3) of this section shall pay all taxes chargeable to its share of the common facility and the electric energy generated thereby under applicable statutes as now or hereafter in effect, and may make payments during preliminary work and construction for any increased financial burden suffered by any county or other existing taxing district in the county in which the common facility is located, pursuant to agreement with such county or taxing district. [2010 c 167 § 2; 2008 c 198 § 3; 1997 c 230 § 2; 1975-'76 2nd ex.s. c 72 § 2; 1974 ex.s. c 72 § 1; 1973 1st ex.s. c 7 § 2; 1967 c 159 § 2.]

**Finding—2008 c 198:** See note following RCW 39.34.030.

Additional notes found at [www.leg.wa.gov](http://www.leg.wa.gov)

**54.44.030 Liability of city, joint operating agency, or public utility district—Extent—Limitations.** In carrying out the powers granted in this chapter, each such city, public utility district, or joint operating agency shall be severally liable only for its own acts and not jointly or severally liable for the acts, omissions or obligations of others. No money or property supplied by any such city, public utility district, or joint operating agency for the planning, financing, acquisition, construction, operation or maintenance of any common facility shall be credited or otherwise applied to the account of any other participant therein, nor shall the undivided share of any city, public utility district, or joint operating agency in any common facility be charged, directly or indirectly, with

any debt or obligation of any other participant or be subject to any lien as a result thereof. No action in connection with a common facility shall be binding upon any public utility district, city, or joint operating agency unless authorized or approved by resolution or ordinance of its governing body. [1973 1st ex.s. c 7 § 3; 1967 c 159 § 3.]

**54.44.040 Authority to provide money and/or property, issue revenue bonds—Declaration of public purpose.** Any such city, public utility district, or joint operating agency participating in common facilities under this chapter, without an election, may furnish money and provide property, both real and personal, issue and sell revenue bonds pledging revenues of its electric system and its interest or share of the revenues derived from the common facilities and any additions and betterments thereto in order to pay its respective share of the costs of the planning, financing, acquisition and construction thereof. Such bonds shall be issued under the provisions of applicable laws authorizing the issuance of revenue bonds for the acquisition and construction of electric public utility properties by cities, public utility districts, or joint operating agencies as the case may be. All moneys paid or property supplied by any such city, public utility district, or joint operating agency for the purpose of carrying out the powers conferred herein are declared to be for a public purpose. [1973 1st ex.s. c 7 § 4; 1967 c 159 § 4.]

**54.44.050 Depositories—Disbursement of funds.** All moneys belonging to cities, public utility districts, and joint operating agencies in connection with common facilities shall be deposited in such depositories as qualify for the deposit of public funds and shall be accounted for and disbursed in accordance with applicable law. [1973 1st ex.s. c 7 § 5; 1967 c 159 § 5.]

**54.44.060 Agreements to conform to applicable laws.** Any agreement with respect to work to be done or material furnished by any such city, public utility district, or joint operating agency in connection with the construction, maintenance and operation of the common facilities, and any additions and betterments thereto shall be in conformity, as near as may be, with applicable laws now or hereafter in effect relating to public utility districts or cities of the first class. [1973 1st ex.s. c 7 § 6; 1967 c 159 § 6.]

**54.44.900 Liberal construction—Not to affect existing acts.** The provisions of this chapter shall be liberally construed to effectuate the purposes thereof. This chapter shall not be construed to affect any existing act or part thereof relating to the construction, operation or maintenance of any public utility. [1967 c 159 § 7.]

### Chapter 54.48 RCW

#### AGREEMENTS BETWEEN ELECTRICAL PUBLIC UTILITIES AND COOPERATIVES

##### Sections

54.48.010	Definitions.
54.48.020	Legislative declaration of policy.
54.48.030	Agreements between public utilities and cooperatives authorized—Boundaries—Extension procedures—Purchase or sale—Approval.

54.48.040 Cooperatives not to be classified as public utilities or under authority of utilities and transportation commission.

#### **54.48.010 Definitions.** When used in this chapter:

(1) "Public utility" means any privately owned public utility company engaged in rendering electric service to the public for hire, any public utility district engaged in rendering service to residential customers and any city or town engaged in the electric business.

(2) "Cooperative" means any cooperative having authority to engage in the electric business. [1969 c 102 § 1.]

**54.48.020 Legislative declaration of policy.** The legislature hereby declares that the duplication of the electric lines and service of public utilities and cooperatives is uneconomical, may create unnecessary hazards to the public safety, discourages investment in permanent underground facilities, and is unattractive, and thus is contrary to the public interest and further declares that it is in the public interest for public utilities and cooperatives to enter into agreements for the purpose of avoiding or eliminating such duplication. [1969 c 102 § 2.]

**54.48.030 Agreements between public utilities and cooperatives authorized—Boundaries—Extension procedures—Purchase or sale—Approval.** In aid of the foregoing declaration of policy, any public utility and any cooperative is hereby authorized to enter into agreements with any one or more other public utility or one or more other cooperative for the designation of the boundaries of adjoining service areas which each such public utility or each such cooperative shall observe, for the establishment of procedures for orderly extension of service in adjoining areas not currently served by any such public utility or any such cooperative and for the acquisition or disposal by purchase or sale by any such public utility or any such cooperative of duplicating utility facilities, which agreements shall be for a reasonable period of time not in excess of twenty-five years: PROVIDED, That the participation in such agreement of any public utility which is an electrical company under RCW 80.04.010, excepting cities and towns, shall be approved by the Washington utilities and transportation commission. [1969 c 102 § 3.]

**54.48.040 Cooperatives not to be classified as public utilities or under authority of utilities and transportation commission.** Nothing herein shall be construed to classify a cooperative having authority to engage in the electric business as a public utility or to include cooperatives under the authority of the Washington utilities and transportation commission. [1969 c 102 § 4.]

### Chapter 54.52 RCW

#### VOLUNTARY CONTRIBUTIONS TO ASSIST LOW-INCOME CUSTOMERS

##### Sections

54.52.010	Voluntary contributions to assist low-income residential customers—Administration.
54.52.020	Disbursal of contributions—Quarterly report.
54.52.030	Contributions not considered commingling of funds.

**54.52.010 Voluntary contributions to assist low-income residential customers—Administration.** (1) A public utility district may include along with, or as part of, its regular customer billings a request for voluntary contributions to assist qualified low-income residential customers of the district in paying their electricity bills. All funds received by the district in response to such requests shall be (a) transmitted (i) to the grantee of the department of commerce which administers federally funded energy assistance programs for the state in the district's service area or (ii) to a charitable organization within the district's service area; or (b) retained by the district. All such funds shall be used solely to supplement assistance to low-income residential customers of the district in paying their electricity bills. The grantee, charitable organization, or district is responsible to determine which of the district's customers are qualified for low-income assistance and the amount of assistance to be provided to those who are qualified.

(2) A public utility district may include with or as part of its regular customer billings, a request for voluntary contributions to assist qualified low-income residential customers of the district in paying their water and sewer bills. All funds received by the district as a result of these requests shall be transmitted to a charitable organization within the district's service area or retained by the district and distributed solely to assist qualified low-income residential customers in paying their water and sewer bills. The charitable organization or district is responsible for determining which of the district's customers are qualified to receive low-income assistance and the amount of assistance provided to qualified customers. [2011 c 29 § 1; 2007 c 132 § 1; 1995 c 399 § 145; 1985 c 6 § 20; 1984 c 59 § 1.]

**54.52.020 Disbursal of contributions—Quarterly report.** All assistance provided under this chapter shall be disbursed by the grantee, charitable organization, or district. When applicable, the public utility district will be paid on behalf of the customer by the grantee or the charitable organization. When direct vendor payment is not feasible, a check will be issued jointly payable to the customer and the public utility district. The availability of funds for assistance to a district's low-income customers as a result of voluntary contributions shall not reduce the amount of assistance for which the district's customers are eligible under the federally funded energy assistance programs administered by the grantee of the \*department of community, trade, and economic development within the district's service area. When applicable, the grantee or charitable organization shall provide the district with a quarterly report on January 15th, April 15th, July 15th, and October 15th which includes information concerning the total amount of funds received from the district, the names of all recipients of assistance from these funds, the amount received by each recipient, and the amount of funds received from the district currently on hand and available for future low-income assistance. [2007 c 132 § 2; 1995 c 399 § 146; 1985 c 6 § 21; 1984 c 59 § 2.]

\*Reviser's note: The "department of community, trade, and economic development" was renamed the "department of commerce" by 2009 c 565.

**54.52.030 Contributions not considered commingling of funds.** Contributions received under a program

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implemented by a public utility district in compliance with this chapter shall not be considered a commingling of funds. [1984 c 59 § 3.]

