

## CHAPTER 57.

[ S. B. 85. ]

## IRRIGATION DISTRICTS—ISSUE AND SALE OF BONDS.

AN ACT relating to irrigation districts; providing for the issuance and disposal of bonds payable only from revenues derived from district charges for domestic water service or electric power service or both such services and authorizing the creation of a special fund to which a fixed proportion of such revenues shall be pledged and paid; and directing the County Treasurer of the county in which the principal office of the district is located to pay said bonds from any monies in said special fund.

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

SECTION 1. The Board of Directors of any irrigation district in this state which is furnishing either domestic water service or electric power service, or both such services, shall have authority to issue and sell bonds of the district payable from revenues derived from district charges for such service for the benefit of such service and the facilities therefor in the manner hereinafter provided.

Issuance and selling of bonds authorized.

SEC. 2. Said bonds shall be in such form as the Board of Directors shall determine and shall be payable to bearer, shall be in denominations of not less than one hundred dollars nor more than one thousand dollars, shall be numbered from one and up consecutively; shall bear the date of their issue, shall be payable serially up to a maximum period of not to exceed twenty years; shall bear interest at a rate not to exceed six per centum per annum payable semi-annually on January 1 and July 1 of each year, evidenced by coupons attached to said bonds; shall be payable at the office of the County Treasurer of the county in which the principal office of the district is located or at such other place as the Board of Directors shall provide and specify in the bonds; shall be executed by the president of the Board of Directors and attested and sealed by the secretary thereof and

Form of bonds.

Interest.

may have facsimile signatures of the president and secretary imprinted on the interest coupons in lieu of original signatures. Said bonds may provide that the same or any part thereof at the option of the Board of Directors may be redeemed in advance of maturity on any interest payment date.

Revenue  
Bond Fund.

SEC. 3. The Board of Directors of the issuing district shall have authority and is required to create a special fund to be designated Revenue Bond Fund to be carried in said County Treasurer's office for the account of the district for the sole purpose of paying the interest and principal of such bonds, into which special fund said Board of Directors shall obligate and bind the district to set aside and pay a fixed proportion of the gross revenues from the charges made by the district for the domestic water service or the electric power service, as the case may be, for which the bonds are issued and such bonds and the interest thereon shall be payable only out of such special fund but shall be a lien and charge against all revenues received for such service superior to operating and maintenance expenses of such service.

Amount  
to be placed  
in fund.

SEC. 4. In creating such special fund the Board of Directors of the district shall have due regard for the cost of the operation and maintenance of the district system required by the district to furnish said domestic water service or electric power service as the case may be, and shall not set aside into such special fund a greater proportion of the revenue, than, in its judgment, will be available over and above such cost of maintenance and operation and the proportion, if any, of the revenue so previously pledged.

Bonds only  
payable  
from fund.

SEC. 5. Any such bonds, and interest thereon, issued against such special fund as herein provided shall be a valid claim of the holder thereof only as against said special fund and its fixed proportion of

the annual revenue pledged to such fund and shall not constitute a general indebtedness against the issuing irrigation district. Each such bond shall state upon its face that it is payable from such special fund only, naming it and the resolution creating it.

SEC. 6. Such revenue bonds shall be sold in such manner as the Board of Directors shall deem for the best interests of the irrigation district, either at public or at private sale and at any price but not at a price where the cost of the money to the district shall exceed seven per centum per annum, but if the Board of Directors shall dispose of said bonds in exchange for construction of improvements or for materials, such bonds shall not be disposed of for less than par for value received by the district.

Sale of  
bonds.

SEC. 7. The Board of Directors of any irrigation district issuing such revenue bonds shall provide for revenues by fixing rates and charges for furnishing the service involved as the Board shall deem necessary, in the manner provided by law and as fixed by resolution, the total revenues to be so estimated and determined as to be sufficient to take care of costs of maintenance, operation interest and principal amortization requirements and other charges involved.

Fixing of  
rates and  
charges.

SEC. 8. When such special fund has been created and such bonds have been issued as herein provided, the fixed proportion of said revenues, pledged to the payment of the bonds and interest, shall be set aside and paid into the special fund, monthly as collected, as provided in the resolution creating the fund and in case any irrigation district shall fail thus to set aside and pay said fixed proportion as aforesaid, the holder of any bond against said special fund may bring appropriate court action against the district and compel such setting aside and payment.

Revenues  
placed in  
fund.

SEC. 9. When the Board of Directors of the district have decided to issue revenue bonds as herein

Special  
election on  
bond issue.

provided, they shall call a special election in the irrigation district at which election shall be submitted to the electors thereof possessing the qualifications prescribed by law the question whether revenue bonds of the district in the amount and payable according to the plan of payment adopted by the Board and for the purposes therein stated shall be issued. Said election shall be called, noticed, conducted and canvassed in the same manner as provided by law for irrigation district elections to authorize an original issue of bonds payable from revenues derived from annual assessments upon the real property in the district: *Provided*, That the Board of Directors shall have full authority to issue revenue bonds as herein provided payable within a maximum period of ten years without a special election: *And provided, further*, That any irrigation district indebted to the State of Washington shall get the written consent of the Director of the Department of Conservation and Development prior to the issuance of said revenue bonds.

Exception.

Consent of  
State.

Registration  
of bonds.

SEC. 10. The County Treasurer of the county in which said special fund is carried shall register said bonds before the issuance thereof in a book kept for that purpose and shall certify on each thereof under his seal that it has been so registered and that the signatures thereon are the genuine signatures of the president and secretary respectively and that the seal impressed thereon is the seal of the district.

Payment  
of bonds.

SEC. 11. Said County Treasurer shall have authority to pay said bonds and appurtenant coupons in accordance with their terms from any monies on hand in said special fund and when said bonds with interest have been fully paid, any monies remaining in the fund shall be transferred to the expense fund of the district and the special fund closed.

SEC. 12. The Board of Directors of the issuing district shall have full authority by resolution to carry

out the objects of this act in accordance with the provisions hereof and the same shall be liberally construed. The court shall have full jurisdiction under the irrigation district law to examine and determine the legality of the proceedings held to authorize and dispose of such revenue bonds, in the same manner and with the same legal effect as that provided in the case of other bonds of the district.

Act liberally construed.

Court has jurisdiction to examine.

Passed the Senate February 9, 1949.

Passed the House March 4, 1949.

Approved by the Governor March 16, 1949.

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## CHAPTER 58.

[ S. B. 121. ]

### POLLUTION CONTROL COMMISSION— INTERSTATE COOPERATION.

AN ACT relating to the Pollution Control Commission; authorizing interstate cooperation and acceptance of Federal grants, and amending chapter 216, Laws of 1945, by adding two sections thereto.

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

SECTION 1. Chapter 216, Laws of 1945 (sec. 10964a, et seq. Rem. Supp. 1945), is amended by adding thereto a new section to read as follows: Amendment.

Section 24. The Commission is authorized to cooperate with the Federal government and to accept grants of Federal funds for carrying out the purposes of this act. The Commission is empowered to make any application or report required by an agency of the Federal government as an incident to receiving such grants. Cooperation with Federal government.

SEC. 2. Chapter 216, Laws of 1945 (sec. 10964a, et seq. Rem. Supp. 1945), is amended by adding a new section to read as follows: Amendment.