

Laws of 1949 and RCW 16.64.010 through 16.64.040 are each repealed.

Passed the House March 5, 1959.

Passed the Senate March 4, 1959.

Approved by the Governor March 11, 1959.

CHAPTER 108.

[H. B. 382.]

WATER DISTRICTS

AN ACT relating to water districts; amending section 8, chapter 114, Laws of 1929 and RCW 57.08.010; amending section 3, chapter 251, Laws of 1953 and RCW 57.08.045; adding two new sections to chapter 57.08 RCW; amending section 7, chapter 114, Laws of 1929, as last amended by section 1, chapter 18, Laws of 1959, and RCW 57.12.010; amending section 6, chapter 18, Laws of 1959 and RCW 57.16.010; amending section 7, chapter 18, Laws of 1959 and RCW 57.16.020; amending section 8, chapter 18, Laws of 1959 and RCW 57.16.030; amending section 9, chapter 18, Laws of 1959 and RCW 57.16.040; adding a new section to chapter 57.16 RCW; amending section 3, chapter 128, Laws of 1939 and RCW 57.20.020; amending section 17, chapter 251, Laws of 1953 and RCW 57.20.025; amending section 23, chapter 114, Laws of 1929 and RCW 57.20.140; adding four new sections to chapter 57.20 RCW; adding two new sections to Title 57, RCW; and declaring an emergency.

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

RCW 57.08.010 amended.

SECTION 1. Section 8, chapter 114, Laws of 1929 and RCW 57.08.010 are each amended to read as follows:

Right to acquire property and rights—Eminent domain.

A water district may acquire by purchase or condemnation, or both, all property and property rights and all water and water rights, both within and without the district, necessary for its purposes. A water district may lease real or personal property necessary for its purposes for a term of years for which such leased property may reasonably be

needed where in the opinion of the board of water commissioners such property may not be needed permanently or substantial savings to the district can be effected thereby. The right of eminent domain shall be exercised in the same manner and by the same procedure as provided for cities of the third class, insofar as consistent with the provisions of this title, except that all assessment rolls to be prepared and filed by eminent domain commissioners or commissioners appointed by the court shall be prepared and filed by the water district, and the duties devolving upon the city treasurer are hereby imposed upon the county treasurer. A water district may construct, condemn and purchase, purchase, add to, maintain and supply waterworks to furnish the district and inhabitants thereof, and any city or town therein and any other persons, both within and without the district, with an ample supply of water for all uses and purposes public and private with full authority to regulate and control the use, distribution and price thereof. For such purposes, a water district may take, condemn and purchase, purchase, acquire and retain water from any public or navigable lake, river or watercourse, or any underflowing water and, by means of aqueducts or pipe line conduct the same throughout such water district and any city or town therein and carry it along and upon public highways, roads and streets, within and without such district. For the purpose of constructing or laying aqueducts or pipe lines, dams, or waterworks or other necessary structures in storing and retaining water or for any other lawful purpose such water district may occupy the beds and shores up to the high water mark of any such lake, river, or other watercourse, and may acquire by purchase or condemnation such property or property rights or privileges as may be necessary to protect its water supply from pollution.

A water district may purchase and take water from any municipal corporation.

A water district may fix rates and charges for water supplied and may charge property owners seeking to connect to the district's water supply system, as a condition to granting the right to so connect, in addition to the cost of such connection, such reasonable connection charge as the board of commissioners shall determine to be proper in order that such property owners shall bear their equitable share of the cost of such system.

New section.

SEC. 2. There is added to chapter 57.08 RCW a new section to read as follows:

Collection of charges—
Property lien.

The commissioners shall enforce collection of the water connection charges and rates and charges for water supplied against property owners connecting with the system and/or receiving such water, such charges being deemed charges against the property served, by addition of penalties of not more than ten percent thereof in case of failure to pay the charges at times fixed by resolution. The commissioners may provide by resolution that where either water connection charges or rates and charges for water supplied are delinquent for any specified period of time, the district shall certify the delinquencies to the treasurer of the county in which the district is situated, and the charges and any penalties added thereto and interest thereon at the rate of not more than eight percent per year shall be a lien against the property upon which the service was received, subject only to the lien for general taxes.

New section.

SEC. 3. There is added to chapter 57.08 RCW a new section to read as follows:

Collection of charges—
Civil action.

The district may, at any time after the connection charges or rates and charges for water supplied and penalties are delinquent for a period of sixty days, bring suit in foreclosure by civil action in the superior court of the county in which the district is

situated. The court may allow, in addition to the costs and disbursements provided by statute, such an attorney's fee as it adjudges reasonable. The action shall be in rem, and may be brought in the name of the district against an individual, or against all of those who are delinquent in one action, and the laws and rules of the court shall control as in other civil actions.

Attorney's
fee.

SEC. 4. Section 3, chapter 251, Laws of 1953 and RCW 57.08.045 are each amended to read as follows:

RCW 57.08.045
amended.

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

Contracts for
joint use.

Service out-
side district.

SEC. 5. Section 7, chapter 114, Laws of 1929, as last amended by section 1, chapter 18, Laws of 1959, and RCW 57.12.010 are each amended to read as follows:

RCW 57.12.010
amended.

The officers of [a] district shall be a board of water commissioners consisting of three members. The board shall annually elect one of its members as president and another as secretary.

Commis-
sioners—
Officers.

The secretary may be paid a reasonable sum for the clerical services performed by him. The board shall by resolution adopt rules governing the transaction of its business and shall adopt an official seal. All proceedings shall be by resolution recorded in a book kept for that purpose which shall be a public record.

Administra-
tion.

A district may provide by resolution for the payment of compensation to each of its commissioners at a rate not exceeding twenty-five dollars for each

Compensation.

day or major part thereof devoted to the business of the district: *Provided*, That the per diem for each commissioner shall not exceed six hundred dollars per year. No commissioner shall be employed full time by the district. Each commissioner shall be reimbursed for reasonable expenses actually incurred in connection with such business, including his subsistence and lodging while away from his place of residence and mileage for use of personal automobile at the rate of five cents per mile.

The date for holding elections and taking office as herein provided shall be subject to the provisions of any consolidated election laws that may be made applicable thereto although previously enacted.

RCW 57.16.010
amended.

SEC. 6. Section 6, chapter 18, Laws of 1959 and RCW 57.16.010 are each amended to read as follows:

Comprehen-
sive plan of
improvements.

The water district commissioners before ordering any improvements hereunder or submitting to vote any proposition for incurring any indebtedness shall adopt a general comprehensive plan of water supply for the district. They shall investigate the several portions and sections of the district for the purpose of determining the present and reasonably foreseeable future needs thereof; shall examine and investigate, determine and select a water supply or water supplies for such district suitable and adequate for present and reasonably foreseeable future needs thereof; and shall consider and determine a general system or plan for acquiring such water supply or water supplies; and the lands, waters and water rights and easements necessary therefor, and for retaining and storing any such waters, erecting dams, reservoirs, aqueducts and pipe lines to convey the same throughout such district. There may be included as part of the system the installation of fire hydrants at suitable places throughout the district, and the purchase and maintenance of necessary fire

fighting equipment and apparatus, together with facilities for housing same. The water district commissioners shall determine a general plan for distributing such water throughout such portion of the district as may then reasonably be served by means of subsidiary aqueducts and pipe lines, and the method of distributing the cost and expense thereof against such water district and against local improvement districts or utility local improvement districts within such water district for any lawful purpose, and including any such local improvement district or utility local improvement district lying wholly or partially within the limits of any city or town in such district, and shall determine whether the whole or part of the cost and expenses shall be paid from water revenue bonds as in this act provided. The commissioners may employ such engineering and legal service as in their discretion is necessary in carrying out the objects and purposes of this act.

SEC. 7. Section 7, chapter 18, Laws of 1959 and RCW 57.16.020 are each amended to read as follows:

RCW 57.16.020 amended.

The commissioners may submit to the voters of the district at any general or special election, a proposition that the district incur a general indebtedness payable from annual tax levies to be made in excess of the forty mill tax limitation for the construction of any part or all of the general comprehensive plan. The amount of the indebtedness and the terms thereof shall be included in the proposition submitted to the voters, and the proposition shall be adopted by three-fifths of the voters voting thereon, at which such election the total number of persons voting shall constitute not less than forty percent of the total number of votes cast in said water district at the last preceding general state election. When the general comprehensive plan has

Vote on general indebtedness.

been adopted the commissioners shall carry it out to the extent specified in the proposition to incur general indebtedness.

RCW 57.16.030 amended.

SEC. 8. Section 8, chapter 18, Laws of 1959 and RCW 57.16.030 are each amended to read as follows:

Election to authorize revenue bonds.

The commissioners may submit at any general or special election, a proposition that the district issue revenue bonds for the construction costs, interest during the period of construction and six months thereafter, working capital or other costs of any part or all of the general plan. The amount of the bonds to be issued shall be included in the proposition submitted.

The proposition to issue such revenue bonds may include provision for refunding any local improvement district bonds of a district, out of the proceeds of sale of revenue bonds, and a district may pay off any outstanding local improvement bonds with such funds either by purchase in the open market below their par value and accrued interest or by call at par value and accrued interest at the next succeeding coupon maturity date.

No proposition for the issuance of revenue bonds shall be submitted at any election if there are outstanding any district local improvement district bonds issued under the provisions of RCW 57.20.030 to 57.20.090, unless the proposition provides that all such local improvement district bonds shall be paid out of the proceeds of the sale of the revenue bonds.

The proposition for issuance of revenue bonds shall be adopted by a majority of the voters voting thereon. When a proposition has been adopted the commissioners may forthwith carry out the general plan to the extent specified.

RCW 57.16.040 amended.

SEC. 9. Section 9, chapter 18, Laws of 1959 and RCW 57.16.040 are each amended to read as follows:

In the same manner as provided for the adoption of the original general comprehensive plan, a plan providing for additions and betterments to the original general plan may be adopted. Without limiting its generality "additions and betterments" shall include any necessary change in, amendment of or addition to the general comprehensive plan.

Additions and betterments.

Includes.

The district may incur a general indebtedness payable from annual tax levies to be made in excess of the forty mill limitation for the construction of the additions and betterments in the same way that general indebtedness may be incurred for the construction of the original general plan after submission to the voters of the entire district in the manner the original proposition to incur indebtedness was submitted. Upon ratification the additions and betterments may be carried out by the commissioners to the extent specified in the proposition to incur the general indebtedness.

The district may issue revenue bonds to pay for the construction of the additions and the betterments pursuant to resolution of the board of water commissioners without submitting a proposition therefor to the voters of the district.

Revenue bonds authorized.

SEC. 10. There is added to chapter 57.16 RCW a new section to read as follows:

New section.

Whenever a water district shall have adopted a general comprehensive plan and bonds to defray the cost thereof shall have been authorized by the electors of the district, and before the completion of the improvements the board of water commissioners shall find by resolution that the authorized bonds are not sufficient to defray the cost of such improvements due to the increase of costs of construction subsequent to the adoption of said plan, the board of water commissioners may by resolution, without submitting the matter to the voters of the district, authorize the issuance and sale of additional

Additional water revenue bonds authorized.

water revenue bonds for such purpose in excess of those previously authorized: *Provided*, That in no event shall the principal amount of such additional water revenue bonds exceed twenty percent of such previously authorized bonds.

RCW 57.20.020
amended.

SEC. 11. Section 3, chapter 128, Laws of 1939 and RCW 57.20.020 are each amended to read as follows:

Revenue
bonds, form.

Whenever any issue or issues of water revenue bonds have been authorized in compliance with the provisions of RCW 57.16.010 through 57.16.040, said bonds shall be either registered as to principal only or shall be bearer bonds; shall be in such denominations, shall be numbered, shall bear such date, and shall be payable at such time or times up to a maximum period of not to exceed thirty years as shall be determined by the board of water commissioners of the district; shall bear interest payable semi-annually and evidenced to maturity by coupons attached to said bonds bearing a coupon interest rate not to exceed six percent per annum; shall be payable at the office of the county treasurer of the county in which the water district is located and may also be payable at such other place or places as the board of water commissioners may determine; shall be executed by the president of the board of water commissioners and attested and sealed by the secretary thereof; and may have facsimile signatures of said president and secretary imprinted on the interest coupons in lieu of original signatures.

Special funds.

The water district commissioners shall have power and are required to create a special fund or funds for the sole purpose of paying the interest and principal of such bonds into which special fund or funds the said water district commissioners shall obligate and bind the water district to set aside and pay a fixed proportion of the gross revenues of the water supply system or any fixed amount out of and not exceeding a fixed proportion of such revenues,

or a fixed amount or amounts without regard to any fixed proportion and such bonds and the interest thereof shall be payable only out of such special fund or funds, but shall be a lien and charge against all revenues and payments received from any utility local improvement district or districts pledged to secure such bonds, subject only to operating and maintenance expenses.

In creating any such special fund or funds the water district commissioners of such water district 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 revenue previously pledged as a fund for the payment of bonds, warrants or other indebtedness, and shall not set aside into such special fund a greater amount or proportion of the revenue and proceeds than in their judgment will be available over and above such cost of maintenance and operation and the amount or proportion, if any, of the revenue so previously pledged. Any such bonds and interest thereon issued against any such fund as herein provided shall be a valid claim of the holder thereof only as against the said special fund and its fixed proportion or amount of the revenue pledged to such fund, and shall not constitute an indebtedness of such water district within the meaning of the constitutional provisions and limitations. Each such bond or warrant shall state upon its face that it is payable from a special fund, naming the said fund and the resolution creating it. Said bonds shall be sold in such manner as the water district commissioners shall deem for the best interests of the water district, either at public or private sale and at any price, but not at any price where the effective cost of money to the water district shall exceed seven percent per annum, and the said commissioners may provide in any contract for the construction and

Bonds as
claims.

Sale of
bonds.

acquisition of the proposed improvement (and for the refunding of outstanding local improvement district obligations, if any) that payment therefor shall be made in such bonds at par value thereof.

When any such special fund shall have been heretofore or shall be hereafter created and any such bonds shall have been heretofore or shall hereafter be issued against the same a fixed proportion or a fixed amount out of and not to exceed such fixed proportion, or a fixed amount or amounts without regard to any fixed proportion, of revenue shall be set aside and paid into said special fund as provided in the resolution creating such fund, and in case any water district shall fail thus to set aside and pay said fixed proportion or amount as aforesaid, the holder of any bond against such special fund may bring suit or action against the water district and compel such setting aside and payment.

Adequate
rates to be
fixed.

The water district commissioners of any water district, in the event that such water revenue bonds are issued, shall provide for revenues by fixing rates and charges for the furnishing of water supply to those receiving such service, such rates and charges to be fixed as deemed necessary by such water district commissioners, so that uniform charges will be made for the same class of customer or service. In classifying customers served or service furnished by such water supply system, the board of water commissioners may in its discretion consider any or all of the following factors: The difference in cost of service to the various customers; the location of the various customers within and without the district; the difference in cost of maintenance, operation, repair, and replacement of the various parts of the system; the different character of the service furnished various customers; the quantity and quality of the water furnished; the time of its use; capital contributions made to the system including

Classification
of service—
Factors in.

but not limited to assessments; and any other matters which present a reasonable difference as a ground for distinction. Such rates shall be made on a monthly basis as may be deemed proper by such commissioners and as fixed by resolution and shall produce revenues sufficient to take care of the costs of maintenance and operation, revenue bond and warrant interest and principal amortization requirements and all other charges necessary for efficient and proper operation of the system.

SEC. 12. There is added to chapter 57.20 RCW a new section to read as follows: New section.

The board of water commissioners may make such covenants as it may deem necessary to secure and guarantee the payment of the principal of and interest on water revenue bonds of the district, including but not being limited to covenants for the establishment and maintenance of adequate reserves to secure or guarantee the payment of such principal and interest; the protection and disposition of the proceeds of sale of such bonds; the use and disposition of the gross revenues of the water supply system of the district and any additions or betterments thereto or extensions thereof; the use and disposition of any utility local improvement district assessments; the creation and maintenance of funds for renewals and replacements of the system; the establishment and maintenance of rates and charges adequate to pay principal and interest of such bonds and to maintain adequate coverage over debt service; the maintenance, operation and management of the system and the accounting, insuring and auditing of the business in connection therewith; the terms upon which such bonds or any of them may be redeemed at the election of the district; limitations upon the right of the district to dispose of its system or any part thereof; the appointment of trustees, depositaries and paying agents to receive, hold, dis-

Covenants to secure payment of bonds authorized.

burse, invest and reinvest all or any part of the proceeds of sale of the bonds and all or any part of the income, revenue and receipts of the district, and the board of water commissioners may make such other covenants as it may deem necessary to accomplish the most advantageous sale of such bonds. The board of water commissioners may also provide that revenue bonds payable out of the same source or sources may later be issued on a parity with any revenue bonds being issued and sold.

RCW 57.20.025
amended.

SEC. 13. Section 17, chapter 251, Laws of 1953 and RCW 57.20.025 are each amended to read as follows:

Refunding
revenue
bonds
authorized.

The board of water commissioners of any water district may by resolution, without submitting the matter to the voters of the district, provide for the issuance of refunding revenue bonds to refund outstanding general obligation bonds and/or revenue bonds, or any part thereof, and/or all outstanding local improvement district bonds, at maturity thereof, or before maturity thereof if they are subject to call for prior redemption or all of the holders thereof consent thereto. The total interest cost to the district over the life of the refunding bonds shall not exceed the total cost to the district which the district would have incurred but for such refunding over the remainder of the life of the bonds to be refunded thereby. The refunding bonds may be exchanged for the bonds to be refunded thereby, or may be sold in such manner as the board of water commissioners deems to be for the best interest of the district, and the proceeds used, except as hereinafter provided, exclusively for the purpose of paying, retiring and canceling the bonds to be refunded and interest thereon.

All unpaid utility local improvement district assessments payable into the revenue bond redemption fund established for payment of the bonds to

be refunded shall thereafter when collected be paid into the revenue bond redemption fund established for payment of the refunding revenue bonds.

Whenever local improvement district bonds have been refunded as required by RCW 57.16.030, or pursuant to this section, all local improvement district assessments remaining unpaid shall thereafter when collected be paid into the revenue bond redemption fund established for payment of the refunding revenue bonds, and the cash balance, if any, in the local improvement guaranty fund of the district and the proceeds received from any other assets owned by such fund shall be used in whole or in part as a reserve fund for the refunding revenue bonds or be transferred in whole or in part to any other funds of the district as the board of water commissioners may determine. In the event that any warrants are outstanding against the local improvement guaranty fund of the district at the time of the issuance of such refunding revenue bonds, said bonds shall be issued in an amount sufficient also to fund and pay such outstanding warrants.

The provisions of RCW 57.20.020 shall apply to the refunding revenue bonds issued under this title.

SEC. 14. Section 23, chapter 114, Laws of 1929 and RCW 57.20.140 are each amended to read as follows:

RCW 57.20.140
amended.

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

Maintenance
fund created.

Special funds. upon a resolution of the commissioners ordering a transfer to any other fund of the district. The county treasurer shall also maintain such other special funds as may be prescribed by the water district, into which shall be placed such moneys as the board of water commissioners may by its resolution direct, and from which disbursements shall be made upon proper warrants of the county auditor issued against the same by authority of the board of water commissioners.

New section. SEC. 15. There is added to chapter 57.20 RCW a new section to read as follows:

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

New section. SEC. 16. There is added to chapter 57.20 RCW a new section to read as follows:

Investments authorized. Whenever there shall have accumulated in any general or special fund of a water district moneys, the disbursement of which is not yet due, the board of water commissioners may, by resolution, authorize and direct the county treasurer to deposit or invest such moneys in banks, mutual savings banks, or savings and loan associations in an amount in each institution no greater than the amount insured by any department or agency of the United States government, the federal deposit insurance corporation, or the federal savings and loan insurance corporation, or to invest such moneys in direct obligations of the United States government: *Provided*, That the county treasurer may refuse to invest any

district moneys for a period shorter than ninety days, or in an amount less than five thousand dollars, or any moneys, the disbursement of which will be required during the period of investment to meet outstanding obligations of the district.

SEC. 17. There is added to chapter 57.20 RCW a new section to read as follows: **New section.**

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

SEC. 18. There is added to Title 57 RCW a new section to read as follows: **New section.**

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

SEC. 19. There is added to Title 57 RCW a new section to read as follows: **New section.**

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

Severability.

SEC. 20. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Emergency.

SEC. 21. This act is necessary for the immediate preservation of the public peace, health and safety and support of the state government and its existing institutions and shall take effect immediately.

Passed the House February 24, 1959.

Passed the Senate March 4, 1959.

Approved by the Governor March 11, 1959.



CHAPTER 109.

[H. B. 424.]

WORLD FAIR COMMISSION—CENTURY 21 EXPOSITION.

AN ACT relating to the world fair commission; changing the name thereof; and amending section 2, chapter 307, Laws of 1955, as amended by section 1, chapter 15, Laws of 1957, and RCW 43.96.020.

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

RCW 43.96.020 amended.

SECTION 1. Section 2, chapter 307, Laws of 1955, as amended by section 1, chapter 15, Laws of 1957, and RCW 43.96.020 are each amended to read as follows:

Fair commission created—Composition.

There is created the world fair commission to consist of fifteen members to be selected as follows: Five by the governor, of whom one shall be designated by the governor as chairman of the commission, four by the president of the senate and four by the speaker of the house of representatives, to serve until April 30, 1961, the lieutenant governor and one member of the Seattle City Council, to be appointed by the Seattle City Council. The commission shall

Terms.