

Fee.

shall pay the fee provided in section 7399 of this Code: *Provided further*, That in the event a permit is issued by the Supervisor of Hydraulics upon any application, it shall be his duty to notify both the Director of Fisheries and the Director of Game of such issuance. All permits issued by the Supervisor of Hydraulics shall contain a provision that the holder thereof shall comply with all laws pertaining to appropriation, use and storage of water and all fisheries and game laws now in force or hereafter enacted.

Passed the Senate February 24, 1939.

Passed the House March 9, 1939.

Approved by the Governor March 15, 1939.

CHAPTER 128.

[S. B. 361.]

WATER DISTRICTS.

AN ACT relating to water and water supply districts; providing for the issuance and sale of water revenue bonds; providing for the payment thereof from revenues and from utility local improvement district assessments; creating a water revenue redemption fund; providing for the refunding of local improvement district bonds; and amending section 9 of chapter 114 of the Laws of 1929 (section 11587 of Remington's Revised Statutes) and section 1 of chapter 177 of the Laws of 1937 (section 11588 of Remington's Revised Statutes).

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

SECTION 1. Section 9 of chapter 114 of the Laws of 1929 (section 11587 of Remington's Revised Statutes) is hereby amended to read as follows:

Section 9. Said water district shall have the power to establish local improvement districts within its territory; to levy special assessments under the mode of annual installments extending over a period

Amends
§ 11587 Rem.
Rev. Stat.

Local
improvement
districts.

not exceeding twenty years on all property specially benefited by any local improvement on the basis of special benefits to pay in whole or in part the damages or costs of any improvements ordered in such water district; to issue local improvement bonds in any such improvement district to be repaid by the collection of local improvement assessments: *Provided*, That the levying, collection and enforcement of all public assessments and issuance of bonds hereby authorized shall be in the manner now and hereafter provided by law for the levying, collection and enforcement of local improvement assessments and the issuance of local improvement bonds by cities of the first class in so far as the same shall not be inconsistent with the provisions of this act: *Provided, however*, That the duties devolving upon the city treasurer under said laws be and the same hereby are imposed upon the county treasurer for the purposes of this act; the mode of assessment shall be in the manner to be determined by the water commissioners by resolution: *Provided, however*, That whenever in the petition for the establishment of a local improvement district, and in the comprehensive plan or amendment thereto previously duly ratified at an election, it is provided that the assessments shall be for the sole purpose of payment into the revenue bond fund for the payment of revenue bonds, then the local improvement district, when established, shall be designated as a "utility local improvement district". No warrants or bonds shall be issued in any such utility local improvement district, but the collection of interest and principal on all assessments in such utility local improvement district, when collected, shall be paid into the revenue bond fund.

SEC. 2. Section 1 of chapter 177 of the Laws of 1937 (section 11588 of Remington's Revised Statutes) is hereby amended to read as follows:

Special assessments.

Bonds.

County treasurer.

Utility local improvement district.

Amends § 11588 Rem. Rev. Stat.

Adoption
of plan.

Section 1. It shall be the duty of the water district commissioners of every water district before creating any improvements hereunder or submitting to vote any plan for incurring any indebtedness, to consider and determine upon and adopt a comprehensive scheme or plan of water supply for such district for the purposes authorized in this act, and for such purposes, the water district commissioners shall investigate the several portions and sections of such water district for the purpose of determining the present and future needs of such district in regard to a water supply; to examine and investigate, determine and select a water supply or water supplies for such district suitable and adequate for present and future needs thereof; to 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 pipelines 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; for determining the plan or system for distributing such water throughout such district by means of subsidiary aqueducts and pipelines, and the method of distributing the cost and expense thereof against such water district and against local improvement districts within such water district for any purpose authorized in this act, and including any such local improvement district lying wholly or partially within the limits of any city or town in such district and to determine the whole or such part of the cost and expenses to be paid from water revenue bonds as in this act provided. The commissioners may employ such en-

Purchase and
maintenance
of fire-
fighting
equipment.

gineering and legal service as in their discretion is necessary in carrying out the objects and purposes of this act.

Such general comprehensive scheme and plan, when finally considered or determined upon by such board of water commissioners, shall be by them adopted by resolution, which resolution shall provide for the submission thereof at a general or special election specified in such resolution to the qualified voters within such district for their ratification or rejection. No expenditure for the carrying on of any part of such plan shall be made by the water district commissioners other than the necessary salaries of engineers, clerical and office expenses of such water district, and the cost of engineering, surveying, preparation and collection of data necessary for the making and adoption of a general scheme of improvements in such water district unless and until such general scheme of improvements has been so officially adopted by the water district commissioners and ratified by the affirmative vote of a majority of the voters of such water district voting thereon at the election which shall be held for such purpose. Notice of such election shall be given in accordance with the general election laws. If at such election a majority of the votes cast upon such question shall be in favor of the adoption thereof, the same shall thereupon be ratified and adopted and proclamation thereof made by such commission within ten days after such election. Such commission may submit at the same election at which the proposition to adopt the comprehensive plan or scheme is submitted, or at any general or special election a proposition that said water district incur a general indebtedness for the construction of any part or all of said comprehensive plan: *Provided, however,* That such proposition to incur indebtedness shall be submitted so as to enable the voters to vote for or against the same independent of any vote on the

Resolution.

Plan
submitted to
electors.

proposition submitted to the qualified voters as aforesaid; and if such general indebtedness is to be incurred, the amount of such indebtedness and the terms thereof shall be included in the proposition submitted to the qualified voters as aforesaid; and such proposition, to be effective, shall be adopted and assented to by three-fifths of the qualified voters of the said water district voting on said proposition at said election.

Whenever a proposition has been adopted as aforesaid, the water district commissioners shall have power to proceed forthwith to carry out said general scheme or plan to the extent specified in the proposition to incur such general indebtedness.

Revenue
bonds.

Such commission may submit at the same election at which the proposition to adopt the comprehensive plan is submitted, or at any other general or special election a proposition that such water district issue revenue bonds for the construction and/or other costs of any part or all of said comprehensive plan: *Provided, however,* That such proposition to issue revenue bonds shall be submitted so as to enable the voters to vote for or against the same, independent of any vote on the comprehensive plan submitted to the qualified voters as aforesaid; and if revenue bonds are to be issued, the amount of the revenue bonds to be issued and the terms thereof shall be included in the proposition submitted to the qualified voters as aforesaid.

Refunding
bonds.

Such proposition to adopt the comprehensive plan may include provision for refunding any local improvement district bonds of any water district, therefore outstanding, out of the proceeds of sale of revenue bonds, and every water district is empowered to 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 such comprehensive plan including provision for issuance of revenue bonds shall be submitted at any election if there is an outstanding water district local improvement district bonds issued under the provisions of chapter 102, Session Laws of 1937, unless such comprehensive plan provides that all such local improvement district bonds outstanding shall be paid and canceled out of the proceeds of the sale of the revenue bonds authorized as hereinabove provided.

Such proposition for issuance of revenue bonds, to be effective, shall be adopted and assented to by three-fifths of the qualified voters of the said water district voting on such proposition at said election. Whenever a proposition has been adopted as aforesaid, the water district commissioners shall have power to proceed forthwith and carry out said general plan to the extent specified.

In the same manner as herein provided for the adoption and ratification of the original comprehensive scheme and after the adoption of the original comprehensive scheme, a scheme providing for additions and betterments to the original comprehensive scheme may be adopted and ratified.

The water district may incur a general indebtedness for the construction of the additions and betterments in the same way the general indebtedness may be incurred for the construction of the original comprehensive scheme after submission to the voters of the entire district in the manner the original proposition to incur indebtedness may be submitted. Upon ratification the additions and betterments may be carried out by the water district commissioners to the extent specified in the proposition to incur such general indebtedness.

General
indebtedness.

The water district may issue revenue bonds to pay for the construction of the additions and betterments in the same way revenue bonds may be issued

for payment of the construction of the original comprehensive plan or any portion thereof.

Requisites
of bonds.

SEC. 3. Whenever any issue or issues of water revenue bonds have been authorized in compliance with the provisions of section 2, supra, said bonds shall be either registered as to principal only or shall be bearer bonds, shall be in denominations of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1000); shall be numbered from one (1) up consecutively; shall bear the date of their issue; shall be payable serially up to a maximum period of not to exceed twenty (20) years; shall bear interest at a rate not to exceed six per cent (6%) per annum payable semi-annually and evidenced by coupons attached to said bonds; shall be payable at the office of the county treasurer of the county in which the water district is located unless otherwise specified; shall be executed by the chairman or vice-chairman of the board of water commissioners and attested and sealed by the secretary thereof; and may have facsimile signatures of said chairman or vice-chairman and secretary imprinted on the interest coupons in lieu of original signatures.

Special fund
created.

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 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 (including payments received from

utility local improvement districts, if any) superior 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 per cent per annum, and the said commissioners may provide in any contract for the construction and acquirement 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.

Bonds
payable
from special
fund.

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 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.

Charges
and rates to
be fixed.

The water district commissioners of any water district, in the event that such water revenue bonds are issued against the revenues of such water supply system, 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 service, such rates to be made on a monthly basis as may be deemed proper by such commissioners and as fixed by resolution, the total revenues to be so estimated and based to be sufficient to take care of costs of maintenance, operation, interest and principal amortization requirements and other charges.

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