

CHAPTER 180.

[S. B. 187.]

QUINCY VALLEY IRRIGATION ACT.

AN ACT relating to the irrigation of lands in Grant, Adams, Chelan and Douglas counties known as Quincy Valley lands and lands in the neighborhood of the system which can be feasibly brought under the same source of water supply and providing for the construction, maintenance and operation of a system of storage and irrigation works for that purpose; said system to consist of storage and irrigation works for the impounding and storage of water in and about Lake Wenatchee and Fish Lake, in Chelan county, and their inlets, and in and about the Wenatchee River and its tributaries, and for the carriage and distribution of said impounded waters to said lands and to develop hydro-electric power incidental to the irrigation of said lands; and to provide for the creation of a state reclamation board and defining its duties and powers, and for the issuance and sale of state bonds to create a fund for said construction, and to provide ways and means, exclusive of loans, by means of a sinking fund and an improvement fund created by this act, to pay the interest on said bonds as it falls due; and also to pay and discharge the principal amount of said bonds within twenty years from the time for the contracting thereof; and to provide for the maintenance and operation of said works by means of said improvement fund; and to provide for the submission of this act to a vote of the people of the State of Washington under and in accordance with the provisions of article eight (8) section three (3) of the constitution of this state and making appropriations to carry this act into effect.

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

SECTION 1. This act may be known and cited as the "Quincy Valley Irrigation Act." Title.

SEC. 2. The main purpose of this act is as stated in the title hereof and this act it to be interpreted and construed so as to effectuate the said purpose; and the provisions of this act are to be liberally interpreted and construed to that end, and shall not be limited by any rule of strict interpretation or construction. Liberal construction.

SEC. 3. The term board as used herein unless otherwise qualified shall be interpreted to mean the state reclamation board created by this act. Board.

District. SEC. 4. District when used in this act shall be interpreted to mean an irrigation district duly and regularly organized under the laws of the state.

Name of fund. SEC. 5. The terms sinking fund, irrigation fund and improvement fund unless otherwise qualified, when used in this act shall be interpreted to mean Quincy Valley sinking fund, the Quincy Valley irrigation fund and the Quincy Valley improvement fund, respectively.

State bonds. SEC. 6. The term state bonds unless otherwise qualified, when used in this act shall be interpreted to mean the state bonds issued under and by virtue of this act.

State reclamation board created. SEC. 7. There shall be and there hereby is created a state reclamation board consisting of, *ex-officio*, the governor, state auditor, state treasurer, commissioner of public lands, and the state geologist; the governor shall be chairman of the board.

Secretary. SEC. 8. The board created by section seven of this act shall have a secretary to be appointed by it, who shall hold office at its pleasure. The secretary shall keep full and accurate minutes and accounts of all transactions and proceedings of the board, and perform such other duties as may be required of him by the board. He shall receive an annual salary of two thousand five hundred dollars, to be paid out of the irrigation fund created by this act.

Attorney General to represent board. SEC. 9. It shall be the duty of the attorney general to represent and appear for the State of Washington and the board in all actions and proceedings involving any question under this act, or under or in reference to any act or order of the board, or its agents, and to that end he is authorized and required to institute, prosecute and defend all proper actions and proceedings.

Organization of board. SEC. 10. Said board shall organize promptly after the taking effect of this act upon its ratification by the people, and upon the call of the governor as chairman of said board, and it is hereby made the duty of the governor immediately after this act becomes operative as aforesaid to call the board together.

SEC. 11. As soon after the taking effect of this act as practicable the board shall determine with practical detail the feasibility of constructing the system of storage and irrigation works contemplated by this act. A two-thirds vote by ayes and nays shall be necessary to sustain the determination of feasibility. In reaching the determination of feasibility the board must make use of all examinations and surveys heretofore made and hereafter to be made by this state or the United States and the board is hereby authorized to cause such examinations and surveys to be made by its engineers or other agents, as it may deem proper; and the board must, a reasonable time before reaching its determination of feasibility, convene a board of not less than three nor more than five civil and hydraulic engineers each qualified by technical training and practical experience, and of high standing and reputation in his profession, for the purpose of aiding the board in reaching its determination of feasibility, and the board shall submit to them all the facts bearing upon feasibility and obtain from them their opinion in writing as to the feasibility of the system of storage and irrigation works contemplated by this act and also to obtain from them suggestions in writing as to any desired modifications of the system, or any portion of it; and the board must before reaching its determination of feasibility, ascertain and determine and enter upon its permanent records the following facts:

Board to determine feasibility of project.

Expert advice.

Subjects to be examined.

(1) The quantity of water supply obtainable for the purpose of this act from the source contemplated by this act;

Water.

(2) The number of acres of good irrigable land which can be properly irrigated from said water supply so far as said supply is to be utilized by this act;

Area.

(3) The total cost of the completion of the system of storage and irrigation works provided for by this act, including the cost of water rights for supply and rights of ways and flooding rights;

Cost.

Irrigation district organized.

(4) That an irrigation district has been duly and regularly organized under the laws of this state, including within its limits a sufficient quantity of good irrigable land, to render the said system feasible; the judgment of the board as to the quality and irrigability of the land for the purpose of said determination shall be final in any contest between the board and the district, or the board and any land owner in the district;

District ready to handle water.

(5) That said irrigation district is ready, willing and able to contract with the state, through said board, for the purchase from the state of a perpetual water right to water from said system sufficient, in the judgment of the board, to irrigate the said irrigable lands included in said district and for maintenance of same; and has duly and regularly issued its bonds payable to the state bearing interest at the rate of not to exceed six per centum per annum to be determined by agreement between the board and the district, in the amount of forty million dollars and has delivered said bonds to the state through said board;

Acre cost.

(6) The cost per acre to put water upon the land to be irrigated by the system contemplated by this act;

Engineers' report.

(7) The findings, conclusions, opinions and suggestions of said board of civil and hydraulic engineers;

General consideration.

(8) All other facts and all reasons, in addition to the foregoing, upon which said determination of feasibility is based.

System deemed impracticable if cost exceeds \$100 per acre or total cost, \$40,000,000.00.

SEC. 12. The system of storage and irrigation works provided for in this act must not be determined by the board to be feasible if, either, the total ascertained cost of the completion of said system exceeds forty million dollars, or the ascertained cost per acre to put the water upon the land to be irrigated by means of said system exceeds one hundred dollars per acre, or if the conclusions of said board of civil and hydraulic engineers are adverse to feasibility.

District to issue bonds to state.

SEC. 13. Before the board shall proceed to make any of the examinations or surveys mentioned in section eleven of this act or contract any debts or liabilities whatsoever it shall require said district to duly and regularly issue its

bonds to the state in the principal amount of forty million dollars payable in series as provided by irrigation district law, and to bear interest as hereinbefore and hereinafter provided and deliver the same to the board for the state and the same are by the board to be delivered to the state treasurer. The state treasurer shall at any time, upon the written request of the board sell said district bonds at not less than par and accrued interest, if any, in the same manner and subject to the rules as provided for hereinafter for the sale of the state bonds. If said district bonds are sold as aforesaid the proceeds of same shall be placed in the sinking fund and the improvement fund in the proportion as hereinafter provided. If said bonds are not sold then the state treasurer shall safely keep same and faithfully collect the interest and principal as the same falls due and place the same in the said two last mentioned funds in the proportion as hereinafter provided. If, after the completion of the construction of said system of storage, it is determined that said construction has not cost the full sum of forty million dollars then the difference between said cost and said forty million dollars shall be returned by the state to said district, either in the said district bonds computed at their par value, or in money; and if in money then that sum of money which said sum so returned has earned as interest for the state while in the sinking fund shall also be returned to said district.

Proceeds of
district bonds.

Funds above
cost of
system to be
returned
to state.

SEC. 14. If the board reaches the determination in the manner provided by this act that the construction of said system of storage and irrigation works is not feasible then said board must by resolution stop all further work and close up its affairs, pay its debts, and report with its findings and conclusions to the next succeeding legislature.

Work to stop
if board
thinks project
not feasible.

SEC. 15. Upon the determination by the board, after full compliance with sections eleven and twelve of this act, that said system of storage and irrigation works is feasible, then the board is authorized and directed to contract in the name of the state with the district as described in subdivisions five and six of section eleven of this act, to

Contract
with district
for water.

furnish a perpetual water right for all the irrigable land within said district for which there is a sufficient quantity of water available from the system contemplated, and to furnish water each year in sufficient quantity, in the judgment of the board, to irrigate said lands last mentioned and to maintain said system of storage and irrigation works: *Provided*, That in case of destruction of, or considerable injury to, said system, or any portion thereof, by accident or act of God, the state shall not be required to rebuild or reconstruct said destroyed or injured portion or to furnish said annual water for irrigation until rebuilt or reconstructed by the state with funds furnished by the district, and said district is authorized and shall, in consideration of the agreement of the state to furnish said perpetual water right and maintenance agree to pay to the state the total cost of the complete construction of said system of storage and irrigation works in the manner provided by this act, and in addition thereto to pay the state the annual maintenance charged, at the times and in the manner and amounts to be fixed and determined by the board as soon as the state is ready to supply water, and to pay to the state the amount necessary to rebuild or reconstruct any destroyed or injured portion in this section as above stated by accident or act of God: *Provided*, That after the bonds to be issued by the state under this act are fully paid interest and principal, said annual maintenance charges shall be based upon the cost of maintenance and operation including the establishment of a sinking fund to rebuild and repair said works or any portion of them.

Repairs to system, district to make.

District binds itself to repay state.

System to be constructed.

SEC. 16. After said contract is entered into and the said bonds of said irrigation district in the amount stated in section thirteen are delivered to said board and by it delivered to the state treasurer said board shall have power and it is hereby made its duty to construct with reasonable diligence said system of storage and irrigation works and to maintain the same. Said system to include a storage of water in and about Lake Wenatchee

and Fish Lake in Chelan county, and their inlets and in and about the Wenatchee river and its tributaries, by means of one or more dams and the impounding and storage of water thereby and the carriage of the water from thence in a main conduit by a route to be selected by the board to some point in the Quincy Valley best adapted, in the judgment of said board, for distribution of the water upon said lands to be irrigated, and from thence through a number of primary and secondary or lateral canals and flumes, as will in the judgment of the board, best serve the lands in Grant, Adams, Chelan and Douglas counties, known as the Quincy Valley lands, and all lands in the neighborhood of said system which can be feasibly served by the said system for the purposes of irrigation; and the board shall have the right to develop hydro-electric power and employ and dispose of same for irrigation pumping or for any other uses, provided only that such power development is incidental to the main purpose of said irrigation and necessary to the best attainment of the general objects of this act.

Storage.

Laterals.

System may include power plant.

SEC. 17. Said board is hereby granted full and complete power of eminent domain in the name of the state for purposes of the acquisition and damaging of property for the construction and maintenance of said system as a whole, and as to each and all its parts and may proceed under any existing laws for the condemnation of private property for public uses, and said board is hereby granted full and complete power to purchase and acquire by donation or otherwise in the name of the state all lands and waters and other property including the right to damage property and also including reservoir sites and dam sites and water rights, necessary for the construction, maintenance and operation of said system, said lands or water or other property to be paid for out of the irrigation fund.

Eminent domain.

SEC. 18. In addition to other powers given in this act to said board it shall have full power to manage and conduct the business affairs pertaining to the construction,

Plenary powers of board.

maintenance and operation of said system and to make, execute and deliver all proper contracts to carry the purpose of this act to a successful completion, and to employ and appoint a chief engineer and such other officers, agents and employes as it may require, and to prescribe their duties and to fix their compensation, and to discharge any officers, agents or employes at will; or to contract for a definite period of service if it so desires.

Chief engineer,
qualifications.

SEC. 19. The chief engineer must be qualified by technical training and practical experience as a civil and hydraulic engineer and be of high standing and reputation in his profession. He shall have charge of the construction of said system under the board and he must devote his time exclusively to the prosecution of the work contemplated by this act, and shall accept no other employment of any kind during the period of his engagement by the board.

Bonds of
state, conditions of.

SEC. 20. For the purpose of providing a sinking fund for the payment of the indebtedness hereby authorized to be incurred by the said state reclamation board for the construction of said system of storage and irrigation works in the counties of Chelan, Douglas, Grant and Adams, in the State of Washington, at a cost not to exceed forty million dollars, the state treasurer shall, immediately after the taking effect of this act, prepare bonds of the State of Washington, in denominations of one hundred to one thousand dollars each, in such proportion of denomination as requested in writing by the board. The whole issue of said bonds shall not exceed the sum of forty million dollars, and said bonds bear interest at a rate not to exceed five per centum per annum from the time of the sale thereof, respectively, and both principal and interest shall be payable in gold coin of the United States of America of present standard of value in ten series, as follows, to-wit: at the expiration of ten years and nine months, five per centum of the whole amount of bonds; at the expiration of eleven years and nine months six per centum of the whole amount of bonds; at the expiration of twelve years

Bear five
per cent.

and nine months seven per centum of the whole amount of bonds; at the expiration of thirteen years and nine months eight per centum of the whole amount of bonds; at the expiration of fourteen years and nine months nine per centum of the whole amount of bonds; at the expiration of fifteen years and nine months ten per centum of the whole amount of bonds; at the expiration of sixteen years and nine months eleven per centum of the whole amount of bonds; at the expiration of seventeen years and nine months thirteen per centum of the whole amount of bonds; at the expiration of eighteen years and nine months fifteen per centum of the whole amount of bonds; at the expiration of nineteen years and nine months sixteen per centum of the whole amount of bonds. Said bonds shall bear the date of the second day of August, A. D. nineteen hundred and fifteen. The interest accruing on such of said bonds as are sold, shall be due and payable at the office of said state treasurer or at the fiscal agency of this state in New York city on the second day of February and on the second day of August of each year after the sale of the same: *Provided*, That the first payment of interest shall be made on the second day of August, nineteen hundred sixteen on so many of said bonds as may have been theretofore sold. At the expiration of nineteen years and nine months from the date of said bonds all bonds sold shall cease to bear interest, and the treasurer shall call in, forthwith pay and cancel all outstanding bonds out of the moneys in the sinking fund provided for in this act, and he shall on the second day of August nineteen hundred thirty-five, also cancel and destroy all said bonds theretofore sold. All bonds issued shall be consecutively numbered in the order of issue and shall be signed by the governor and countersigned by the state auditor and shall be endorsed by the state treasurer, and each shall have the seal of the state stamped thereon.

When
payable.

Place of
payment of
interest.

Signatures
on bonds.

SEC. 21. Interest coupons shall be attached to each of said bonds, so that such coupons may be removed without injury to or mutilation of the bond. Said coupons

Interest
coupons.

shall be consecutively numbered and shall be signed by the state treasurer: *Provided*, That said signature may be engraved or lithographed thereon, but no interest on any of said bonds shall be paid for any time which may intervene between the date of said bonds and the issue and sale thereof to the purchaser, and the state treasurer must adjust and remove the coupons so as to bring this about, and the determination of the state treasurer as to the time when interest begins to run shall be final and binding.

SEC. 22. The sum of five thousand dollars is hereby appropriated to pay the expenses that may be incurred by the state treasurer in having said bonds prepared and issued, and in advertising the sale and the sale of the same. Said amount or so much as shall be necessary shall be paid out of the irrigation fund.

SEC. 23. When the bonds authorized to be issued under this act shall be duly issued and executed, they shall be, by the state treasurer, when directed by a resolution of the board so to do, sold at public sale to the highest bidder for cash, in such parcels and numbers as said treasurer shall be directed by the board by the resolution directing such sale; but said treasurer must reject any and all bids for said bonds or any of them, which shall be below the par value of said bonds so offered; and he may, by public announcement at the place and time fixed for the sale, continue such sale, as to the whole of the bonds offered, or any part thereof, to such time and place as he may select and so announce. Due notice of the time and place of sale of all bonds must be given by said treasurer by publication in one newspaper published in each of the following cities in this state: Seattle, Spokane and Tacoma, once each week for four successive weeks prior to such sale. Such additional notice of sale may be given as shall be deemed advisable by the board. The proceeds of the sale of such bonds shall be forthwith paid over by said treasurer into the state treasury, and must be by the said treasurer kept in a separate fund, to be known and designated as the "Quincy Valley Irrigation Fund," and must and can be used and ap-

\$5,000.00
appropriated
to cover cost
of issue of
bonds.

Bonds sold
at public
sale.

Notice of
sale.

Proceeds.

"Irrigation
Fund."

plied only to the specific object of the construction of the system of storage and irrigation works, in this act authorized to be constructed. Warrants upon said fund shall be drawn upon and shall be paid out of said fund in the same manner as warrants are drawn upon any part of the general fund of the state. And it is hereby made the duty of the state treasurer and the board to annually, on or before the first day of August of each year, notify in writing the board of directors of the district of the number of state bonds which will be sold during the coming year and it is hereby made the duty of said district directors to use said amount as a basis and upon said basis to make the levy of district taxes for the said coming year.

Warrants.

SEC. 24. For the payment of said state bonds a sinking fund to be known and designated as the "Quincy Valley Sinking Fund" shall be and the same hereby is created and there shall be paid into said fund:

"Sinking Fund."

(1) All sums which shall be collected by the state treasurer by reason of payments by said district on account of the principal sums due on its bonds or any part of them;

District payments.

(2) All sums which shall be collected as interest arising from said district bonds to the extent only of the rate of interest payable by the state upon its own bonds, the balance of said interest to be paid into the improvement fund hereafter mentioned.

Interest assessments.

(3) The proceeds of all sales by the state of said district bonds less only the difference between the rate of interest payable by the state upon its own bonds and the rate on the district bonds which difference shall go in said improvement fund.

District bonds.

(4) All interest received as the result of the investment of all or any part of the said sinking fund and the principal as provided in the next succeeding section.

Interest on surplus funds.

SEC. 25. The state treasurer shall upon the request in writing of the board and on the state auditor's warrant drawn for that purpose invest and re-invest any moneys in said sinking fund, not then needed to meet the obligations

Investment of sinking fund.

of said sinking fund in the purchase of bonds of the United States or of the State of Washington, including the state bonds issued under this act, and in any county, municipal or school district bonds of this state all of which bonds when so purchased shall be safely kept by the state treasurer in a proper receptacle appropriately labeled; but the treasurer must retain in the sinking fund a sufficient sum of money with which to pay the interest next falling due on such of said bonds herein provided to be issued as may have been theretofore sold. The state treasurer upon the request in writing of the board shall sell any of said bonds so purchased for investment at not less than the purchase price thereof and interest, to be sold in the same manner as the sale of the state bonds issued under this act, and all of the proceeds thereof, less the costs of sale, shall be placed in the said sinking fund: *Provided*, That said bonds in this section mentioned may be sold upon a basis of net interest return equal to the basis upon which they were purchased. The state treasurer shall faithfully collect all interest accruing on said investment bonds and place same in said sinking fund.

Sale of district bonds owned by state.

"Improvement fund."

SEC. 26. There is also hereby created a fund to be known and called the "Quincy Valley Improvement Fund," and there shall be placed in this fund:

Surplus receipts go into improvement fund.

(1) That part of the receipts from the interest collected by the state treasurer from the district bonds less the amount representing the rate of interest payable by the state on its bonds issued under this act.

(2) That part of the proceeds of the sale of said district bonds less the amount representing the rate of interest payable by the state referred to in subdivision (1) herein, when said bonds are sold with accrued interest.

(3) All water power and service rentals including water charges.

(4) And when it is certain that there is enough money in the said sinking fund to pay the full amount of all state bonds issued under this act or which can legally be issued, both principal and interest, then all proceeds from what-

ever source under this act shall be placed in said improvement fund.

SEC. 27. Said improvement fund may be used by said board upon proper warrants by the state auditor for the purposes of maintenance and operation of said system until it is needed for said purposes it must by the state treasurer be temporarily transferred upon the written request of the board, into either the irrigation or the sinking fund for the proper uses of either of said funds to be returned by the state treasurer out of the first moneys received which would otherwise go into the fund to which the transfer was thus made, and if, in the judgment of the board, it is desirable, all or any portion of said improvement fund may be invested and re-invested in the same manner and subject to the same rules as provided in section twenty-five.

Improvement fund, how used.

SEC. 28. The interest on said irrigation district bonds in the hands of the board or state treasurer shall not begin to run until the state has sold all or some portion of said state bonds issued under this act and in that case only on such a portion of said district bonds as equal in amount the portion of the state bonds so sold; and as fast as the state treasurer shall sell any portion of said state bonds interest shall begin to run on a like amount of said irrigation district bonds. But if the state treasurer shall sell any or all of said irrigation district bonds then interest shall begin to run on so many as are so sold from the day of such sale.

Interest on district bonds, commencement of.

SEC. 29. The state auditor and the state treasurer shall keep full and particular accounts and records of all their proceedings under this act, and they shall transmit to the governor an abstract of all such proceedings thereunder, with an annual report to be by the Governor laid before the legislature biennially; and all books and papers pertaining to the matter provided for in this act shall at all times be open to the inspection of any party interested, or the governor, or the attorney general, or

Auditor and Treasurer to report to Governor.

a committee of either branch of the legislature, or a joint committee of both, or of any citizen of the state.

Treasurer to
pay interest.

SEC. 30. It shall be the duty of the state treasurer to pay the interest of said bonds, when the same falls due, out of the sinking fund provided for in this act, on the state auditor's warrant duly drawn for that purpose; and it is hereby made the duty of said auditor to draw his warrant for that purpose when said interest is about to fall due.

Time of
taking effect.

SEC. 31. This act, if adopted by the people, shall take effect on the thirty-first day of December, A. D. nineteen hundred fourteen, as to all its provisions except those relating to and necessary for its submission to the people, and for returning, canvassing, and proclaiming the vote, and as to said excepted provisions of this act shall take effect as soon as may be under the provisions of the state constitution and its amendments.

Referendum.
(See ch. 138
supra.)

SEC. 32. This act shall be submitted to the people of the State of Washington for their ratification at the next general election, to be held in the month of November, A. D. nineteen hundred fourteen; and all ballots of said election shall have printed thereon, and at the end thereof, the words, "For Quincy Valley Irrigation Act," and in a separate line under the same, "Against Quincy Valley Irrigation Act," and opposite each of said lines there shall be left spaces in which the voter may make a cross to indicate whether he votes for or against the said act, and those voting for said act shall do so by placing a cross opposite the words "For Quincy Valley Irrigation Act," and all those voting against said act shall do so by placing a cross opposite the words, "Against Quincy Valley Irrigation Act."

Notice of
referendum.

SEC. 33. The governor of this state shall include the submission of this act to the vote of the people as aforesaid in his proclamation calling for said general election.

Publication.

SEC. 34. The secretary of state shall cause this act to be submitted to the people of this state and the same to be published in at least one newspaper in each county, if one

be published therein, throughout the state, for three months next preceding the election at which it is submitted to the people as herein provided. And the sum of ten thousand (10,000) dollars or so much thereof as may be necessary is hereby appropriated to pay for said publication, the same to be paid out of the general fund of the state.

SEC. 35. The votes cast for or against this act by the people shall be counted, returned and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appear that said act shall have received sixty per cent. of all the votes cast for and against it at such election, as aforesaid, then the same shall be in effect as provided in section 31 of this act, and shall be irrepealable until the principal and interest of the liabilities created by virtue of this act shall be paid and discharged, and the governor shall make proclamation thereof; but if more than forty per cent. of all votes cast for and against this act at said election are cast against this act then the same shall be and become void: *Provided*, That the vote upon such question or measure shall equal one-third of the total vote cast at such election and not otherwise.

Manner of
election.
(See ch. 138.)

SEC. 36. All acts and parts of acts in conflict with any of the provisions of this act are hereby repealed.

Repeal.

Passed the Senate March 10, 1913.

Passed the House March 12, 1913.

Filed March 25, 1913, subject to referendum.

I. M. HOWELL,

Secretary of State.