

# HOUSE BILL REPORT

## EHB 1728

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### As Passed House:

March 3, 2009

**Title:** An act relating to the issuance of checks by joint operating agencies and public utility districts.

**Brief Description:** Regarding the payment of claims or obligations by joint operating agencies and public utility districts.

**Sponsors:** Representatives Takko, Haler, Ericks, Angel, Carlyle and Van De Wege.

### Brief History:

#### Committee Activity:

Local Government & Housing: 2/9/09, 2/12/09 [DP].

#### Floor Activity

Passed House: 3/3/09, 97-0.

### Brief Summary of Engrossed Bill

- Authorizes the board of a joint operating agency and the commission of a public utility district to adopt a policy for the payment of claims or obligations by either check or warrant.

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## HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** Do pass. Signed by 9 members: Representatives Simpson, Chair; Nelson, Vice Chair; Angel, Ranking Minority Member; Ericksen, Assistant Ranking Minority Member; Cox, Miloscia, Short, Springer and White.

**Staff:** Thamas Osborn (786-7129)

### Background:

A public utility district (PUD) is a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. A PUD may operate on a countywide basis or may encompass a smaller jurisdiction. However, most PUDs have jurisdictional boundaries that are

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coextensive with a county and function as a regional governing body with respect to providing their statutorily authorized services to the public. There are currently 28 operating PUDs in this state, many of which provide a mix of services: 23 provide electrical services; 19 provide water and/or wastewater services; and 13 provide wholesale broadband telecommunications services. Public utility districts are governed by a board of either three or five elected commissioners.

Joint operating agencies (JOAs) are a type of municipal corporation jointly formed by cities and public utility districts in order to develop electricity generation projects. The JOAs have broad authority to engage in projects involving the generation, production, transmission, purchase, or sale of electric energy.

**Summary of Engrossed Bill:**

The board of a JOA is authorized to adopt a policy for the payment of claims or obligations by either check or warrant. Checks may only be used if the pertinent fund is solvent, otherwise the payment must be by warrant. In order to use checks, the board must choose a qualified public depository upon which the checks are to be drawn and designate the officers required or authorized to sign the checks.

The commission of a PUD may also adopt such a policy for the payment of claims by check or warrant, but only if the treasurer of the PUD is someone other than the county treasurer.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

This is a good and simple bill that has passed the House several times. All the bill does is enable JOAs and PUDs to use checks rather than warrants. There is no controversy regarding the provisions of this bill. It creates a necessary statutory change that will simplify procedures and result in greater efficiency.

**Persons Testifying:** (In support) Representative Takko, prime sponsor; James McMahan, Washington Association of County Officials; and Jim Rowland, Energy Northwest.

**Persons Signed In To Testify But Not Testifying:** None.