
ENGROSSED HOUSE BILL 1264

State of Washington

56th Legislature

1999 Regular Session

By Representatives D. Schmidt, Scott, Mulliken, Fisher, Quall, Wolfe and Schoesler

Read first time 01/20/1999. Referred to Committee on Local Government.

1 AN ACT Relating to the combining of water and sewer districts;
2 amending RCW 57.04.050, 57.08.005, 57.08.014, 57.08.015, 57.08.016,
3 57.08.030, 57.08.044, 57.08.047, 57.08.050, 57.08.065, 57.08.085,
4 57.08.110, 57.08.180, 57.16.060, 57.16.110, 57.20.120, 57.20.140,
5 57.24.040, 57.24.050, 57.28.050, 57.32.023, 57.36.040, 57.90.010,
6 27.12.470, 32.20.070, 32.20.110, 35.13A.020, 35.13A.030, 35.13A.040,
7 35.13A.060, 35.13A.090, 35.58.210, 35.58.220, 35.58.230, 35.58.410,
8 35.67.300, 35.91.020, 35.92.012, 35.92.170, 35.97.010, 35.97.050,
9 36.16.138, 36.93.020, 36.93.093, 36.93.105, 36.93.185, 36.94.220,
10 36.94.430, 36.96.010, 36.94.410, 36.94.420, 39.69.010, 39.50.010,
11 39.80.020, 43.20.240, 43.70.195, 43.155.030, 44.04.170, 48.62.021,
12 52.08.011, 53.48.001, 53.48.010, 54.04.030, 70.44.400, 70.95B.020,
13 70.119.020, 79.44.003, 84.04.120, 84.33.100, 84.34.310, 84.64.080,
14 84.69.010, 87.03.015, 87.03.720, and 87.03.725; reenacting RCW
15 57.08.081; and creating a new section.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

17 **PART I - WATER-SEWER DISTRICT LAWS**

1 **Sec. 1.** RCW 57.04.050 and 1996 c 230 s 204 are each amended to
2 read as follows:

3 Upon entry of the findings of the final hearing on the petition if
4 one or more county legislative authorities find that the proposed
5 district will be conducive to the public health, welfare, and
6 convenience and will benefit the land therein, they shall ~~((call))~~
7 present a resolution to the county auditor calling for a special
8 election ~~((by presenting a resolution to the county auditor at least~~
9 forty-five days prior to the proposed election date. ~~— A special~~
10 election shall be held on a date decided by the commissioners in
11 accordance with RCW 29.13.020)) to be held at a date specified under
12 RCW 29.13.020, that occurs forty-five or more days after the resolution
13 is presented, at which a ballot proposition authorizing the district to
14 be created shall be submitted to voters for their approval or
15 rejection. The commissioners shall cause to be published a notice of
16 the election for four successive weeks in a newspaper of general
17 circulation in the proposed district, which notice shall state the
18 hours during which the polls will be open, the boundaries of the
19 district as finally adopted and the object of the election, and the
20 notice shall also be posted ten days in ten public places in the
21 proposed district. ~~((In submitting the proposition to the voters, it~~
22 ~~shall be expressed on the ballots in the following terms:~~

23 ~~. District YES |~~
24 ~~. District NO |~~

25 ~~giving the name of the district as provided in the petition. ~~The~~~~
26 ~~proposition to be effective must be)) The district shall be created if~~
27 ~~the ballot proposition authorizing the district to be created is~~
28 ~~approved by a majority of the voters voting on the proposition.~~

29 A separate ballot proposition authorizing the district, if created,
30 to impose a single-year excess levy for the preliminary expenses of the
31 district shall be submitted to voters for their approval or rejection
32 at the same special election ~~((a proposition shall be submitted to the~~
33 voters, for their approval or rejection, authorizing the district, if
34 formed, to impose on all property located in the district a general tax
35 for one year, in excess of the limitations provided by law)), if the
36 petition to create the district also proposed that a ballot proposition
37 authorizing an excess levy be submitted to voters for their approval or
38 rejection. The excess levy shall be proposed in the amount specified

1 in the petition to create the district, not to exceed one dollar and
2 twenty-five cents per thousand dollars of assessed value, (~~for general~~
3 ~~preliminary expenses of the district, that proposition to be expressed~~
4 ~~on the ballots in the following terms:~~

5 One year dollars and cents per
6 thousand dollars of assessed value tax YES ~~|~~
7 ~~NO |~~

8 ~~Such a ballot proposition))~~ and may only be submitted to voters for
9 their approval or rejection if the special election is held in
10 February, March, April, or May. The proposition to be effective must
11 be approved (~~by at least three-fifths of the voters voting on the~~
12 ~~proposition))~~ in the manner set forth in Article VII, section 2(a) of
13 the state Constitution.

14 **Sec. 2.** RCW 57.08.005 and 1997 c 447 s 16 are each amended to read
15 as follows:

16 A district shall have the following powers:

17 (1) To acquire by purchase or condemnation, or both, all lands,
18 property and property rights, and all water and water rights, both
19 within and without the district, necessary for its purposes. The right
20 of eminent domain shall be exercised in the same manner and by the same
21 procedure as provided for cities and towns, insofar as consistent with
22 this title, except that all assessment or reassessment rolls to be
23 prepared and filed by eminent domain commissioners or commissioners
24 appointed by the court shall be prepared and filed by the district, and
25 the duties devolving upon the city treasurer are imposed upon the
26 county treasurer;

27 (2) To lease real or personal property necessary for its purposes
28 for a term of years for which that leased property may reasonably be
29 needed;

30 (3) To construct, condemn and purchase, add to, maintain, and
31 supply waterworks to furnish the district and inhabitants thereof and
32 any other persons, both within and without the district, with an ample
33 supply of water for all uses and purposes public and private with full
34 authority to regulate and control the use, content, distribution, and
35 price thereof in such a manner as is not in conflict with general law
36 and may construct, acquire, or own buildings and other necessary
37 district facilities. Where a customer connected to the district's

1 system uses the water on an intermittent or transient basis, a district
2 may charge for providing water service to such a customer, regardless
3 of the amount of water, if any, used by the customer. District
4 waterworks may include facilities which result in combined water supply
5 and electric generation, if the electricity generated thereby is a
6 byproduct of the water supply system. That electricity may be used by
7 the district or sold to any entity authorized by law to use or
8 distribute electricity. Electricity is deemed a byproduct when the
9 electrical generation is subordinate to the primary purpose of water
10 supply. For such purposes, a district may take, condemn and purchase,
11 acquire, and retain water from any public or navigable lake, river or
12 watercourse, or any underflowing water, and by means of aqueducts or
13 pipeline conduct the same throughout the district and any city or town
14 therein and carry it along and upon public highways, roads, and
15 streets, within and without such district. For the purpose of
16 constructing or laying aqueducts or pipelines, dams, or waterworks or
17 other necessary structures in storing and retaining water or for any
18 other lawful purpose such district may occupy the beds and shores up to
19 the high water mark of any such lake, river, or other watercourse, and
20 may acquire by purchase or condemnation such property or property
21 rights or privileges as may be necessary to protect its water supply
22 from pollution. For the purposes of waterworks which include
23 facilities for the generation of electricity as a byproduct, nothing in
24 this section may be construed to authorize a district to condemn
25 electric generating, transmission, or distribution rights or facilities
26 of entities authorized by law to distribute electricity, or to acquire
27 such rights or facilities without the consent of the owner;

28 (4) To purchase and take water from any municipal corporation,
29 private person, or entity. A district contiguous to Canada may
30 contract with a Canadian corporation for the purchase of water and for
31 the construction, purchase, maintenance, and supply of waterworks to
32 furnish the district and inhabitants thereof and residents of Canada
33 with an ample supply of water under the terms approved by the board of
34 commissioners;

35 (5) To construct, condemn and purchase, add to, maintain, and
36 operate systems of sewers for the purpose of furnishing the district,
37 the inhabitants thereof, and persons outside the district with an
38 adequate system of sewers for all uses and purposes, public and
39 private, including but not limited to on-site sewage disposal

1 facilities, approved septic tanks or approved septic tank systems, on-
2 site sanitary sewerage systems, inspection services and maintenance
3 services for private and public on-site systems, point and nonpoint
4 water pollution monitoring programs that are directly related to the
5 sewerage facilities and programs operated by a district, other
6 facilities, programs, and systems for the collection, interception,
7 treatment, and disposal of wastewater, and for the control of pollution
8 from wastewater (~~(and for the protection, preservation, and~~
9 ~~rehabilitation of surface and underground waters, facilities for the~~
10 ~~drainage and treatment of storm or surface waters, public highways,~~
11 ~~streets, and roads))~~) with full authority to regulate the use and
12 operation thereof and the service rates to be charged. Under this
13 chapter, after July 1, 1998, any requirements for pumping the septic
14 tank of an on-site sewage system should be based, among other things,
15 on actual measurement of accumulation of sludge and scum by a trained
16 inspector, trained owner's agent, or trained owner. Training must
17 occur in a program approved by the state board of health or by a local
18 health officer. Sewage facilities may include facilities which result
19 in combined sewage disposal(~~(or)~~) or treatment(~~(or drainage)~~) and
20 electric generation, except that the electricity generated thereby is
21 a byproduct of the system of sewers. Such electricity may be used by
22 the district or sold to any entity authorized by law to distribute
23 electricity. Electricity is deemed a byproduct when the electrical
24 generation is subordinate to the primary purpose of sewage
25 disposal(~~(or)~~) or treatment(~~(or drainage)~~). For such purposes a
26 district may conduct sewage throughout the district and throughout
27 other political subdivisions within the district, and construct and lay
28 sewer pipe along and upon public highways, roads, and streets, within
29 and without the district, and condemn and purchase or acquire land and
30 rights of way necessary for such sewer pipe. A district may erect
31 sewage treatment plants within or without the district, and may
32 acquire, by purchase or condemnation, properties or privileges
33 necessary to be had to protect any lakes, rivers, or watercourses and
34 also other areas of land from pollution from its sewers or its sewage
35 treatment plant. For the purposes of sewage facilities which include
36 facilities that result in combined sewage disposal(~~(or)~~) or treatment(~~(or~~
37 ~~or drainage)~~) and electric generation where the electric generation is
38 a byproduct, nothing in this section may be construed to authorize a
39 district to condemn electric generating, transmission, or distribution

1 rights or facilities of entities authorized by law to distribute
2 electricity, or to acquire such rights or facilities without the
3 consent of the owners;

4 (6) To construct, condemn and purchase, add to, maintain, and
5 operate systems of drainage for the benefit and use of the district,
6 the inhabitants thereof, and persons outside the district with an
7 adequate system of drainage, including but not limited to facilities
8 and systems for the collection, interception, treatment, and disposal
9 of storm or surface waters, and for the protection, preservation, and
10 rehabilitation of surface and underground waters, and drainage
11 facilities for public highways, streets, and roads, with full authority
12 to regulate the use and operation thereof and the service rates to be
13 charged. Drainage facilities may include natural systems. Drainage
14 facilities may include facilities which result in combined drainage
15 facilities and electric generation, except that the electricity
16 generated thereby is a byproduct of the drainage system. Such
17 electricity may be used by the district or sold to any entity
18 authorized by law to distribute electricity. Electricity is deemed a
19 byproduct when the electrical generation is subordinate to the primary
20 purpose of drainage collection, disposal, and treatment. For such
21 purposes, a district may conduct storm or surface water throughout the
22 district and throughout other political subdivisions within the
23 district, construct and lay drainage pipe and culverts along and upon
24 public highways, roads, and streets, within and without the district,
25 and condemn and purchase or acquire land and rights of way necessary
26 for such drainage systems. A district may provide or erect facilities
27 and improvements for the treatment and disposal of storm or surface
28 water within or without the district, and may acquire, by purchase or
29 condemnation, properties or privileges necessary to be had to protect
30 any lakes, rivers, or watercourses and also other areas of land from
31 pollution from storm or surface waters. For the purposes of drainage
32 facilities which include facilities that also generate electricity as
33 a byproduct, nothing in this section may be construed to authorize a
34 district to condemn electric generating, transmission, or distribution
35 rights or facilities of entities authorized by law to distribute
36 electricity, or to acquire such rights or facilities without the
37 consent of the owners;

38 (7) To construct, condemn, acquire, and own buildings and other
39 necessary district facilities;

1 (~~(7)~~) (8) To compel all property owners within the district
2 located within an area served by the district's system of sewers to
3 connect their private drain and sewer systems with the district's
4 system under such penalty as the commissioners shall prescribe by
5 resolution. The district may for such purpose enter upon private
6 property and connect the private drains or sewers with the district
7 system and the cost thereof shall be charged against the property owner
8 and shall be a lien upon property served;

9 (~~(8)~~) (9) Where a district contains within its borders, abuts, or
10 is located adjacent to any lake, stream, ground water as defined by RCW
11 90.44.035, or other waterway within the state of Washington, to provide
12 for the reduction, minimization, or elimination of pollutants from
13 those waters in accordance with the district's comprehensive plan, and
14 to issue general obligation bonds, revenue bonds, local improvement
15 district bonds, or utility local improvement bonds for the purpose of
16 paying all or any part of the cost of reducing, minimizing, or
17 eliminating the pollutants from these waters;

18 (~~(9)~~) (10) To fix rates and charges for water, sewer, and drain
19 service supplied and to charge property owners seeking to connect to
20 the district's systems, as a condition to granting the right to so
21 connect, in addition to the cost of the connection, such reasonable
22 connection charge as the board of commissioners shall determine to be
23 proper in order that those property owners shall bear their equitable
24 share of the cost of the system. For the purposes of calculating a
25 connection charge, the board of commissioners shall determine the pro
26 rata share of the cost of existing facilities and facilities planned
27 for construction within the next ten years and contained in an adopted
28 comprehensive plan and other costs borne by the district which are
29 directly attributable to the improvements required by property owners
30 seeking to connect to the system. The cost of existing facilities
31 shall not include those portions of the system which have been donated
32 or which have been paid for by grants. The connection charge may
33 include interest charges applied from the date of construction of the
34 system until the connection, or for a period not to exceed ten years,
35 whichever is shorter, at a rate commensurate with the rate of interest
36 applicable to the district at the time of construction or major
37 rehabilitation of the system, or at the time of installation of the
38 lines to which the property owner is seeking to connect. A district
39 may permit payment of the cost of connection and the reasonable

1 connection charge to be paid with interest in installments over a
2 period not exceeding fifteen years. The county treasurer may charge
3 and collect a fee of three dollars for each year for the treasurer's
4 services. Those fees shall be a charge to be included as part of each
5 annual installment, and shall be credited to the county current expense
6 fund by the county treasurer. Revenues from connection charges
7 excluding permit fees are to be considered payments in aid of
8 construction as defined by department of revenue rule. Rates or
9 charges for on-site inspection and maintenance services may not be
10 imposed under this chapter on the development, construction, or
11 reconstruction of property.

12 Before adopting on-site inspection and maintenance utility
13 services, or incorporating residences into an on-site inspection and
14 maintenance or sewer utility under this chapter, notification must be
15 provided, prior to the applicable public hearing, to all residences
16 within the proposed service area that have on-site systems permitted by
17 the local health officer. The notice must clearly state that the
18 residence is within the proposed service area and must provide
19 information on estimated rates or charges that may be imposed for the
20 service.

21 A water-sewer district shall not provide on-site sewage system
22 inspection, pumping services, or other maintenance or repair services
23 under this section using water-sewer district employees unless the on-
24 site system is connected by a publicly owned collection system to the
25 water-sewer district's sewerage system, and the on-site system
26 represents the first step in the sewage disposal process.

27 Except as otherwise provided in RCW 90.03.525, any public entity
28 and public property, including the state of Washington and state
29 property, shall be subject to rates and charges for sewer, water, storm
30 water control, drainage, and street lighting facilities to the same
31 extent private persons and private property are subject to those rates
32 and charges that are imposed by districts. In setting those rates and
33 charges, consideration may be made of in-kind services, such as stream
34 improvements or donation of property;

35 ~~((10))~~ (11) To contract with individuals, associations and
36 corporations, the state of Washington, and the United States;

37 ~~((11))~~ (12) To employ such persons as are needed to carry out the
38 district's purposes and fix salaries and any bond requirements for
39 those employees;

1 (~~(12)~~) (13) To contract for the provision of engineering, legal,
2 and other professional services as in the board of commissioner's
3 discretion is necessary in carrying out their duties;
4 (~~(13)~~) (14) To sue and be sued;
5 (~~(14)~~) (15) To loan and borrow funds and to issue bonds and
6 instruments evidencing indebtedness under chapter 57.20 RCW and other
7 applicable laws;
8 (~~(15)~~) (16) To transfer funds, real or personal property,
9 property interests, or services subject to RCW 57.08.015;
10 (~~(16)~~) (17) To levy taxes in accordance with this chapter and
11 chapters 57.04 and 57.20 RCW;
12 (~~(17)~~) (18) To provide for making local improvements and to levy
13 and collect special assessments on property benefitted thereby, and for
14 paying for the same or any portion thereof in accordance with chapter
15 57.16 RCW;
16 (~~(18)~~) (19) To establish street lighting systems under RCW
17 57.08.060;
18 (~~(19)~~) (20) To exercise such other powers as are granted to
19 water-sewer districts by this title or other applicable laws; and
20 (~~(20)~~) (21) To exercise any of the powers granted to cities and
21 counties with respect to the acquisition, construction, maintenance,
22 operation of, and fixing rates and charges for waterworks and systems
23 of sewerage and drainage.

24 **Sec. 3.** RCW 57.08.014 and 1996 c 230 s 304 are each amended to
25 read as follows:

26 In addition to the authority of a district to establish
27 classifications for rates and charges and impose such rates and
28 charges, a district may adjust or delay those rates and charges for
29 low-income persons or classes of low-income persons, including but not
30 limited to, (~~(peer)~~) low-income handicapped persons and (~~(peer)~~) low-
31 income senior citizens. Other financial assistance available to low-
32 income persons shall be considered in determining charges and rates
33 under this section. Notification of special rates or charges
34 established under this section shall be provided to all persons served
35 by the district annually and upon initiating service. Information on
36 cost shifts caused by establishment of the special rates or charges
37 shall be included in the notification. Any reduction in charges and
38 rates granted to low-income persons in one part of a service area shall

1 be uniformly extended to low-income persons in all other parts of the
2 service area.

3 **Sec. 4.** RCW 57.08.015 and 1996 c 230 s 305 are each amended to
4 read as follows:

5 The board of commissioners of a district may sell, at public or
6 private sale, property belonging to the district if the board
7 determines that the property is not and will not be needed for district
8 purposes and if the board gives notice of intention to sell as in this
9 section provided. However, no such notice of intention shall be
10 required to sell personal property of less than two thousand five
11 hundred dollars in value.

12 The notice of intention to sell shall be published once a week for
13 two consecutive weeks in a newspaper of general circulation in the
14 district. The notice shall describe the property and state the time
15 and place at which it will be sold or offered for sale, the terms of
16 sale, whether the property is to be sold at public or private sale, and
17 if at public sale the notice shall call for bids, fix the conditions of
18 the bids and reserve the right to reject any and all bids for good
19 cause.

20 **Sec. 5.** RCW 57.08.016 and 1996 c 230 s 306 are each amended to
21 read as follows:

22 (1) There shall be no private sale of real property where the
23 appraised value exceeds the sum of two thousand five hundred dollars.
24 Subject to the provisions of subsection (2) of this section, no real
25 property of the district shall be sold for less than ninety percent of
26 the value thereof as established by a written appraisal made not more
27 than six months prior to the date of sale by three disinterested real
28 estate brokers licensed under the laws of the state or professionally
29 designated real estate appraisers as defined in RCW 74.46.020. The
30 appraisal shall be signed by the appraisers and filed with the
31 secretary of the board of commissioners of the district, who shall keep
32 it at the office of the district open to public inspection. Any notice
33 of intention to sell real property of the district shall recite the
34 appraised value thereof.

35 (2) If no purchasers can be obtained for the property at ninety
36 percent or more of its appraised value after one hundred twenty days of
37 offering the property for sale, the board of commissioners of the

1 district may adopt a resolution stating that the district has been
2 unable to sell the property at the ninety percent amount. The district
3 then may sell the property at the highest price it can obtain at public
4 auction. A notice of intention to sell at public auction shall be
5 published once a week for two consecutive weeks in a newspaper of
6 general circulation in the district. The notice shall describe the
7 property, state the time and place at which it will be offered for sale
8 and the terms of sale, and shall call for bids, fix the conditions
9 thereof, and reserve the right to reject any and all bids for good
10 cause.

11 **Sec. 6.** RCW 57.08.030 and 1996 c 230 s 307 are each amended to
12 read as follows:

13 (1) Whenever any district shall have installed a distributing
14 system of water mains and laterals, and as a source of supply of water
15 shall be purchasing or intending to purchase water from any city or
16 town, and whenever it appears to be advantageous to the water consumers
17 in the district that such city or town shall take over the water system
18 of the district and supply water to those water users, the
19 commissioners of the district, when authorized as provided in
20 subsection (2) of this section, shall have the right to convey the
21 distributing system to that city or town if that city or town is
22 willing to accept, maintain, and repair the same.

23 (2) Should the commissioners of the district decide that it would
24 be to the advantage of the water consumers of the district to make the
25 conveyance provided for in subsection (1) of this section, they shall
26 cause the proposition of making that conveyance to be submitted to the
27 voters of the district at any general election or at a special election
28 to be called for the purpose of voting on the same. If at the election
29 a majority of the voters voting on the proposition shall be in favor of
30 making the conveyance, the district commissioners shall have the right
31 to convey to the city or town the mains and laterals belonging to the
32 district upon the city or town entering into a contract satisfactory to
33 the commissioners to maintain and repair the same.

34 (3) Whenever a city or town located wholly or in part within a
35 district shall enter into a contract with the commissioners of a
36 district providing that the city or town shall take over all of the
37 operation of the water supply facilities of the district located within
38 its boundaries, the area of the district located within the city or

1 town shall upon the execution of the contract cease to be served by the
2 district for water service purposes. However, the affected land within
3 that city or town shall remain liable for the payment of all
4 assessments, any lien upon the property at the time of the execution of
5 the agreement, and for any lien of all general obligation bonds due at
6 the date of the contract, and the city or town shall remain liable for
7 its fair prorated share of the debt of the area for any revenue bonds,
8 outstanding as of the date of contract.

9 **Sec. 7.** RCW 57.08.044 and 1996 c 230 s 309 are each amended to
10 read as follows:

11 A district may enter into contracts with any county, city, town, or
12 any other municipal or quasi-municipal corporation, or with any private
13 person or corporation, for the acquisition, ownership, use, and
14 operation of any property, facilities, or services, within or without
15 the district, and necessary or desirable to carry out the purposes of
16 the district. A district may provide water, sewer, drainage, or street
17 lighting services to property owners in areas within or without the
18 limits of the district, except that if the area to be served is located
19 within another existing district duly authorized to exercise district
20 powers in that area, then water, sewer, drainage, or street lighting
21 service may not be so provided by contract or otherwise without the
22 consent by resolution of the board of commissioners of that other
23 district.

24 **Sec. 8.** RCW 57.08.047 and 1996 c 230 s 310 are each amended to
25 read as follows:

26 The provision of water ((~~or~~)), sewer, or drainage service beyond
27 the boundaries of a district may be subject to potential review by a
28 boundary review board under chapter 36.93 RCW.

29 **Sec. 9.** RCW 57.08.050 and 1998 c 278 s 8 are each amended to read
30 as follows:

31 (1) All work ordered, the estimated cost of which is in excess of
32 five thousand dollars shall be let by contract. All contract projects,
33 the estimated cost of which is in excess of five thousand dollars and
34 less than fifty thousand dollars, may be awarded to a contractor using
35 the small works roster process provided in RCW 39.04.155. The board of
36 commissioners may set up uniform procedures to prequalify contractors

1 for inclusion on the small works roster. All contract projects equal
2 to or in excess of fifty thousand dollars shall be let by competitive
3 bidding. Before awarding any such contract the board of commissioners
4 shall publish a notice in a newspaper of general circulation where the
5 district is located at least once thirteen days before the last date
6 upon which bids will be received, inviting sealed proposals for such
7 work, plans and specifications which must at the time of publication of
8 such notice be on file in the office of the board of commissioners
9 subject to the public inspection. The notice shall state generally the
10 work to be done and shall call for proposals for doing the same to be
11 sealed and filed with the board of commissioners on or before the day
12 and hour named therein.

13 Each bid shall be accompanied by a certified or cashier's check or
14 postal money order payable to the order of the county treasurer for a
15 sum not less than five percent of the amount of the bid, or accompanied
16 by a bid bond in an amount not less than five percent of the bid with
17 a corporate surety licensed to do business in the state, conditioned
18 that the bidder will pay the district as liquidated damages the amount
19 specified in the bond, unless the bidder enters into a contract in
20 accordance with the bidder's bid, and no bid shall be considered unless
21 accompanied by such check, cash or bid bond. At the time and place
22 named such bids shall be publicly opened and read and the board of
23 commissioners shall proceed to canvass the bids and may let such
24 contract to the lowest responsible bidder upon plans and specifications
25 on file or to the best bidder submitting the bidder's own plans and
26 specifications. The board of commissioners may reject all bids for
27 good cause and readvertise and in such case all checks, cash or bid
28 bonds shall be returned to the bidders. If the contract is let, then
29 all checks, cash, or bid bonds shall be returned to the bidders, except
30 that of the successful bidder, which shall be retained until a contract
31 shall be entered into for doing the work, and a bond to perform such
32 work furnished with sureties satisfactory to the board of commissioners
33 in the full amount of the contract price between the bidder and the
34 commission in accordance with the bid. If the bidder fails to enter
35 into the contract in accordance with the bid and furnish the bond
36 within ten days from the date at which the bidder is notified that the
37 bidder is the successful bidder, the check, cash, or bid bonds and the
38 amount thereof shall be forfeited to the district. If the bidder fails
39 to enter into a contract in accordance with the bidder's bid, and the

1 board of commissioners deems it necessary to take legal action to
2 collect on any bid bond required by this section, then the district
3 shall be entitled to collect from the bidder any legal expenses,
4 including reasonable attorneys' fees occasioned thereby. A low bidder
5 who claims error and fails to enter into a contract is prohibited from
6 bidding on the same project if a second or subsequent call for bids is
7 made for the project.

8 (2) Any purchase of materials, supplies, or equipment, with an
9 estimated cost in excess of ten thousand dollars, shall be by contract.
10 Any purchase of materials, supplies, or equipment, with an estimated
11 cost of less than fifty thousand dollars shall be made using the
12 process provided in RCW 39.04.190. Any purchase of materials,
13 supplies, or equipment with an estimated cost of fifty thousand dollars
14 or more shall be made by competitive bidding following the procedure
15 for letting contracts for projects under subsection (1) of this
16 section.

17 (3) The board may waive the competitive bidding requirements of
18 this section pursuant to RCW 39.04.280 if an exemption contained within
19 that section applies to the purchase or public work.

20 **Sec. 10.** RCW 57.08.065 and 1997 c 447 s 17 are each amended to
21 read as follows:

22 (1) A district shall have power to establish, maintain, and operate
23 a mutual water, sewerage, drainage, and street lighting system, a
24 mutual system of any two or three of the systems, or separate systems.

25 (2) Where any two or more districts include the same territory as
26 of July 1, 1997, none of the overlapping districts may provide any
27 service that was made available by any of the other districts prior to
28 July 1, 1997, within the overlapping territory without the consent by
29 resolution of the board of commissioners of the other district or
30 districts.

31 (3) A district that was a water district prior to July 1, 1997,
32 that did not operate a system of sewerage or drainage prior to July 1,
33 1997, may not proceed to exercise the powers to establish, maintain,
34 construct, and operate any system of sewerage or drainage without first
35 obtaining written approval and certification of necessity from the
36 department of ecology and department of health. Any comprehensive plan
37 for a system of sewers or drainages or addition thereto or betterment
38 thereof, proposed by a district that was a water district prior to July

1 1, 1997, shall be approved by the same county and state officials as
2 were required to approve such plans adopted by a sewer district
3 immediately prior to July 1, 1997, and as subsequently may be required.

4 **Sec. 11.** RCW 57.08.081 and 1998 c 285 s 2 and 1998 c 106 s 9 are
5 each reenacted to read as follows:

6 (1) The commissioners of any district shall provide for revenues by
7 fixing rates and charges for furnishing sewer and drainage service and
8 facilities to those to whom service is available or for providing
9 water, such rates and charges to be fixed as deemed necessary by the
10 commissioners, so that uniform charges will be made for the same class
11 of customer or service and facility. Rates and charges may be combined
12 for the furnishing of more than one type of sewer or drainage service
13 and facilities.

14 (2) In classifying customers of such water, sewer, or drainage
15 system, the board of commissioners may in its discretion consider any
16 or all of the following factors: The difference in cost to various
17 customers; the location of the various customers within and without the
18 district; the difference in cost of maintenance, operation, repair, and
19 replacement of the various parts of the system; the different character
20 of the service furnished various customers; the quantity and quality of
21 the service and facility furnished; the time of its use; the
22 achievement of water conservation goals and the discouragement of
23 wasteful practices; capital contributions made to the system including
24 but not limited to assessments; and any other matters which present a
25 reasonable difference as a ground for distinction. Rates shall be
26 established as deemed proper by the commissioners and as fixed by
27 resolution and shall produce revenues sufficient to take care of the
28 costs of maintenance and operation, revenue bond and warrant interest
29 and principal amortization requirements, and all other charges
30 necessary for efficient and proper operation of the system. Prior to
31 furnishing services, a district may require a deposit to guarantee
32 payment for services. However, failure to require a deposit does not
33 affect the validity of any lien authorized by this section.

34 (3) The commissioners shall enforce collection of connection
35 charges, and rates and charges for water supplied against property
36 owners connecting with the system or receiving such water, and for
37 sewer and drainage services charged against property to which and its
38 owners to whom the service is available, such charges being deemed

1 charges against the property served, by addition of penalties of not
2 more than ten percent thereof in case of failure to pay the charges at
3 times fixed by resolution. The commissioners may provide by resolution
4 that where either connection charges or rates and charges for services
5 supplied are delinquent for any specified period of time, the district
6 shall certify the delinquencies to the auditor of the county in which
7 the real property is located, and the charges and any penalties added
8 thereto and interest thereon at the rate of not more than the prime
9 lending rate of the district's bank plus four percentage points per
10 year shall be a lien against the property upon which the service was
11 received, subject only to the lien for general taxes.

12 (4) The district may, at any time after the connection charges or
13 rates and charges for services supplied or available and penalties are
14 delinquent for a period of sixty days, bring suit in foreclosure by
15 civil action in the superior court of the county in which the real
16 property is located. The court may allow, in addition to the costs and
17 disbursements provided by statute, attorneys' fees, title search and
18 report costs, and expenses as it adjudges reasonable. The action shall
19 be in rem, and may be brought in the name of the district against an
20 individual or against all of those who are delinquent in one action.
21 The laws and rules of the court shall control as in other civil
22 actions.

23 (5) In addition to the right to foreclose provided in this section,
24 the district may also cut off all or part of the service after charges
25 for water or sewer service supplied or available are delinquent for a
26 period of thirty days.

27 (6) A district may determine how to apply partial payments on past
28 due accounts.

29 (7) A district may provide a real property owner or the owner's
30 designee with duplicate bills for service to tenants, or may notify an
31 owner or the owner's designee that a tenant's service account is
32 delinquent. However, if an owner or the owner's designee notifies the
33 district in writing that a property served by the district is a rental
34 property, asks to be notified of a tenant's delinquency, and has
35 provided, in writing, a complete and accurate mailing address, the
36 district shall notify the owner or the owner's designee of a tenant's
37 delinquency at the same time and in the same manner the district
38 notifies the tenant of the tenant's delinquency or by mail. When a
39 district provides a real property owner or the owner's designee with

1 duplicates of tenant utility service bills or notice that a tenant's
2 utility account is delinquent, the district shall notify the tenant
3 that it is providing the duplicate bills or delinquency notice to the
4 owner or the owner's designee. After January 1, 1999, if a district
5 fails to notify the owner of a tenant's delinquency after receiving a
6 written request to do so and after receiving the other information
7 required by this subsection (7), the district shall have no lien
8 against the premises for the tenant's delinquent and unpaid charges.

9 **Sec. 12.** RCW 57.08.085 and 1996 c 230 s 315 are each amended to
10 read as follows:

11 Except as otherwise provided in RCW 90.03.525, any public entity
12 and public property, including state of Washington property, shall be
13 subject to rates and charges for (~~storm water control~~) drainage
14 facilities to the same extent as private persons and private property
15 are subject to such rates and charges that are imposed by districts
16 pursuant to RCW 57.08.005 or 57.08.081. In setting those rates and
17 charges, consideration may be given to in-kind services, such as stream
18 improvements or donation of property.

19 **Sec. 13.** RCW 57.08.110 and 1996 c 230 s 318 are each amended to
20 read as follows:

21 To improve the organization and operation of districts, the
22 commissioners of two or more such districts may form an association
23 thereof, for the purpose of securing and disseminating information of
24 value to the members of the association and for the purpose of
25 promoting the more economical and efficient operation of the
26 comprehensive plans of water supply (~~and~~), sewage treatment and
27 disposal, and drainage collection, treatment, and disposal in their
28 respective districts. The commissioners of districts so associated
29 shall adopt articles of association, select such officers as they may
30 determine, and employ and discharge such agents and employees as shall
31 be deemed convenient to carry out the purposes of the association.
32 District commissioners and employees are authorized to attend meetings
33 of the association. The expenses of an association may be paid from
34 the maintenance or general funds of the associated districts in such
35 manner as shall be provided in the articles of association. However,
36 the aggregate contributions made to an association by a district in any
37 calendar year shall not exceed the amount that would be raised by a

1 levy of two and one-half cents per thousand dollars of assessed value
2 against the taxable property of the district. ((The financial records
3 of such an association shall be subject to audit by the state
4 auditor.))

5 **Sec. 14.** RCW 57.08.180 and 1996 c 230 s 322 are each amended to
6 read as follows:

7 It is unlawful and a misdemeanor to make, or cause to be made, or
8 to maintain any connection with any sewer, drainage, or water system of
9 any district, or with any sewer, drainage, or water system which is
10 connected directly or indirectly with any sewer, drainage, or water
11 system of any district without having permission from the district.

12 **Sec. 15.** RCW 57.16.060 and 1996 c 230 s 602 are each amended to
13 read as follows:

14 Local improvement districts or utility local improvement districts
15 to carry out the whole or any portion of the general comprehensive plan
16 of improvements or plan providing for additions and betterments to an
17 original general comprehensive plan previously adopted may be initiated
18 either by resolution of the board of commissioners or by petition
19 signed by the owners according to the records of the office of the
20 applicable county auditor of at least fifty-one percent of the area of
21 the land within the limits of the improvement district to be created.

22 In case the board of commissioners desires to initiate the
23 formation of an improvement district by resolution, it first shall pass
24 a resolution declaring its intention to order the improvement, setting
25 forth the nature and territorial extent of such proposed improvement,
26 designating the number of the proposed improvement district, and
27 describing the boundaries thereof, stating the estimated cost and
28 expense of the improvement and the proportionate amount thereof which
29 will be borne by the property within the proposed improvement district,
30 and fixing a date, time, and place for a public hearing on the
31 formation of the proposed improvement district.

32 In case any such improvement district is initiated by petition, the
33 petition shall set forth the nature and territorial extent of the
34 proposed improvement requested to be ordered and the fact that the
35 signers thereof are the owners according to the records of the
36 applicable county auditor of at least fifty-one percent of the area of
37 land within the limits of the improvement district to be created. Upon

1 the filing of such petition the board shall determine whether the
2 petition is sufficient, and the board's determination thereof shall be
3 conclusive upon all persons. No person may withdraw his or her name
4 from the petition after it has been filed with the board of
5 commissioners. If the board finds the petition to be sufficient, it
6 shall proceed to adopt a resolution declaring its intention to order
7 the improvement petitioned for, setting forth the nature and
8 territorial extent of the improvement, designating the number of the
9 proposed improvement district and describing the boundaries thereof,
10 stating the estimated cost and expense of the improvement and the
11 proportionate amount thereof which will be borne by the property within
12 the proposed improvement district, and fixing a date, time, and place
13 for a public hearing on the formation of the proposed improvement
14 district.

15 Notice of the adoption of the resolution of intention, whether the
16 resolution was adopted on the initiative of the board or pursuant to a
17 petition of the property owners, shall be published in at least two
18 consecutive issues of a newspaper of general circulation in the
19 proposed improvement district, the date of the first publication to be
20 at least fifteen days prior to the date fixed by such resolution for
21 hearing before the board of commissioners. Notice of the adoption of
22 the resolution of intention shall also be given each owner or reputed
23 owner of any lot, tract, parcel of land, or other property within the
24 proposed improvement district by mailing the notice at least fifteen
25 days before the date fixed for the public hearing to the owner or
26 reputed owner of the property as shown on the tax rolls of the county
27 (~~auditor~~) treasurer of the county in which the real property is
28 located at the address shown thereon. Whenever such notices are
29 mailed, the commissioners shall maintain a list of the reputed property
30 owners, which list shall be kept on file at a location within the
31 district and shall be made available for public perusal. The notices
32 shall refer to the resolution of intention and designate the proposed
33 improvement district by number. The notices also shall set forth the
34 nature of the proposed improvement, the total estimated cost, the
35 proportion of total cost to be borne by assessments, and the date,
36 time, and place of the hearing before the board of commissioners. In
37 the case of improvements initiated by resolution, the notice also
38 shall: (1) State that all persons desiring to object to the formation
39 of the proposed district must file their written protests with the

1 secretary of the board of commissioners no later than ten days after
2 the public hearing; (2) state that if owners of at least forty percent
3 of the area of land within the proposed improvement district file
4 written protests with the secretary of the board, the power of the
5 commissioners to proceed with the creation of the proposed improvement
6 district shall be divested; (3) provide the name and address of the
7 secretary of the board; and (4) state the hours and location within the
8 district where the names of the property owners within the proposed
9 improvement district are kept available for public perusal. In the
10 case of the notice given each owner or reputed owner by mail, the
11 notice shall set forth the estimated amount of the cost and expense of
12 such improvement to be borne by the particular lot, tract, parcel of
13 land, or other property.

14 **Sec. 16.** RCW 57.16.110 and 1998 c 106 s 5 are each amended to read
15 as follows:

16 Whenever any land against which there has been levied any special
17 assessment by any district shall have been sold in part or
18 (~~subdivided~~) divided, the board of commissioners of the district
19 shall have the power to order a segregation of the assessment.

20 Any person desiring to have a special assessment against a tract of
21 land segregated to apply to smaller parts thereof shall apply to the
22 board of commissioners of the district that levied the assessment. If
23 the commissioners determine that a segregation should be made, they
24 shall by resolution order the treasurer of the county in which the real
25 property is located to make segregation on the original assessment roll
26 as directed in the resolution. The segregation shall be made as nearly
27 as possible on the same basis as the original assessment was levied,
28 and the total of the segregated parts of the assessment shall equal the
29 assessment before segregation. The resolution shall describe the
30 original tract and the amount and date of the original assessment, and
31 shall define the boundaries of the divided parts and the amount of the
32 assessment chargeable to each part. A certified copy of the resolution
33 shall be delivered to the treasurer of the county in which the real
34 property is located who shall proceed to make the segregation. The
35 board of commissioners may require as a condition to the order of
36 segregation that the person seeking it pay the district the reasonable
37 engineering and clerical costs incident to making the segregation.

1 **Sec. 17.** RCW 57.20.120 and 1996 c 230 s 714 are each amended to
2 read as follows:

3 A district may contract indebtedness in excess of the amount named
4 in RCW 57.20.110, but not exceeding in amount, together with existing
5 indebtedness, two and one-half percent of the value of the taxable
6 property in that district, as the term "value of the taxable property"
7 is defined in RCW 39.36.015, and impose excess property tax levies to
8 retire the indebtedness whenever (~~(three-fifths of the voters voting at~~
9 ~~the election in such district assent thereto, at which election the~~
10 ~~total number of persons voting on the proposition shall constitute not~~
11 ~~less than forty percent of the total number of votes cast in the~~
12 ~~district at the last preceding general election)) a ballot proposition
13 authorizing the indebtedness and excess levies is approved as provided
14 under Article VII, section 2, and Article VIII, section 6, of the state
15 Constitution, at an election to be held in the district in the manner
16 provided by this title and RCW 39.36.050.~~

17 **Sec. 18.** RCW 57.20.140 and 1996 c 230 s 717 are each amended to
18 read as follows:

19 The treasurer (~~(designated under RCW 57.20.135))~~) shall create and
20 maintain a separate fund designated as the maintenance fund or general
21 fund of the district into which shall be paid all money received by the
22 treasurer from the collection of taxes other than taxes levied for the
23 payment of general obligation bonds of the district and all revenues of
24 the district other than assessments levied in local improvement
25 districts or utility local improvement districts, and no money shall be
26 disbursed therefrom except upon warrants of the county auditor issued
27 by authority of the commissioners or upon a resolution of the
28 commissioners ordering a transfer to any other fund of the district.
29 The treasurer also shall maintain such other special funds as may be
30 prescribed by the district, into which shall be placed such money as
31 the board of commissioners may by its resolution direct, and from which
32 disbursements shall be made upon proper warrants of the county auditor
33 issued against the same by authority of the board of commissioners.

34 **Sec. 19.** RCW 57.24.040 and 1996 c 230 s 904 are each amended to
35 read as follows:

36 (1) The annexation election shall be held on the date designated in
37 the notice and shall be conducted in accordance with the general

1 election laws of the state. If the original petition for annexation is
2 signed by qualified voters, then only qualified voters at the date of
3 election residing in the territory proposed to be annexed, shall be
4 permitted to vote at the election.

5 (2) If the original petition for annexation is signed by property
6 owners as provided for in this chapter, then no person shall be
7 entitled to vote at that election unless at the time of the filing of
8 the original petition he or she owned land in the district of record
9 and in addition thereto at the date of election shall be a qualified
10 voter of the county in which such district is located. It shall be the
11 duty of the county auditor, upon request of the county legislative
12 authority, to certify the names of all persons owning land in the
13 district at the date of the filing of the original petition as shown by
14 the records of the auditor's office; and at any such election the
15 county auditor may require any such property owner offering to vote to
16 take an oath that the property owner is a qualified voter of the county
17 before the property owner shall be allowed to vote. However, at any
18 election held under the provisions of this chapter an officer or agent
19 of any corporation having its principal place of business in the county
20 and owning land at the date of filing the original petition in the
21 district duly authorized in writing may cast a vote on behalf of such
22 corporation. When so voting the person shall file with the county
23 auditor such a written instrument of that person's authority.

24 (3) If the majority of the votes cast upon the question of such
25 election shall be for annexation, then the territory concerned shall
26 immediately be and become annexed to such district and the same shall
27 then forthwith be a part of the district, the same as though originally
28 included in that district.

29 **Sec. 20.** RCW 57.24.050 and 1996 c 230 s 905 are each amended to
30 read as follows:

31 All elections held pursuant to this chapter, whether general or
32 special, shall be conducted by the county ((election board)) auditor of
33 the county in which the district is located. The expense of all such
34 elections shall be paid for out of the funds of such district.

35 **Sec. 21.** RCW 57.28.050 and 1996 c 230 s 1007 are each amended to
36 read as follows:

1 The petition for withdrawal shall be heard at the time and place
2 specified in such notice or the hearing may be adjourned from time to
3 time, not exceeding one month in all, and any person may appear at such
4 hearing and make objections to the withdrawal of such territory or to
5 the proposed boundary lines thereof. Upon final hearing on the
6 petition for withdrawal, the board of commissioners of the district
7 shall make such changes in the proposed boundary lines as it deems to
8 be proper, except that no changes in the boundary lines shall be made
9 by the board of commissioners to include lands not within the
10 boundaries of the territory as described in such petition. In
11 establishing and defining such boundaries the board of commissioners
12 shall exclude any property which is then being furnished with water
13 ~~((or))~~, sewer, or drainage service by the district or which is included
14 in any distribution or collection system the construction of which is
15 included within any duly established local improvement district or
16 utility local improvement district, and the territory as finally
17 established and defined must be substantial in area and consist of
18 adjoining or contiguous properties. The board of commissioners shall
19 thereupon make and by resolution adopt findings of fact as to the
20 following questions:

21 (1) Would the withdrawal of such territory be of benefit to such
22 territory?

23 (2) Would such withdrawal be conducive to the general welfare of
24 the balance of the district?

25 Such findings shall be entered in the records of the district,
26 together with any recommendations the board of commissioners may by
27 resolution adopt.

28 **Sec. 22.** RCW 57.32.023 and 1996 c 230 s 1106 are each amended to
29 read as follows:

30 If at the election a majority of the voters in each of the
31 consolidating districts vote in favor of the consolidation, the
32 ~~((county canvassing board shall so declare in its canvass and the
33 return of such election shall be made within ten days after the date
34 thereof. Upon the return))~~ consolidation shall be authorized. The
35 consolidation shall be effective and the consolidating districts shall
36 cease to exist and shall then be and become a new district and
37 municipal corporation of the state of Washington, upon the
38 certification of the election results. The name of the new district

1 shall be ". . . . Water-Sewer District," ". . . . Water District,"
2 ". . . . Sewer District," or ". . . . District No.,"
3 which shall be the name appearing on the ballot. The district shall
4 have all and every power, right, and privilege possessed by other
5 water-sewer, sewer, or water districts of the state of Washington. The
6 district may issue revenue bonds to pay for the construction of any
7 additions and betterments set forth in the comprehensive plan of water
8 supply, sewer, and drainage services contained in the agreement for
9 consolidation and any future additions and betterments to the
10 comprehensive plan of water supply, sewer, and drainage services, as
11 its board of district commissioners shall by resolution adopt, without
12 submitting a proposition therefor to the voters of the district.

13 **Sec. 23.** RCW 57.36.040 and 1996 c 230 s 1205 are each amended to
14 read as follows:

15 If at such election a majority of the voters of the merging
16 district or districts shall vote in favor of the merger, the ((county
17 canvassing board shall so declare in its canvass and the return of such
18 election shall be made within ten days after the date thereof, and upon
19 such return)) merger shall be authorized. The merger shall be
20 effective and the merging district or districts shall cease to exist
21 and shall become a part of the merger district, upon the certification
22 of the election results. The commissioners of the merging district or
23 districts shall hold office as commissioners of the new merged district
24 until their respective terms of office expire or until they resign from
25 office if the resignation is before the expiration of their terms of
26 office. The election of commissioners in the merger district after the
27 merger shall occur as provided in RCW 57.32.130 in a consolidated
28 district after the consolidation.

29 **Sec. 24.** RCW 57.90.010 and 1996 c 230 s 1502 are each amended to
30 read as follows:

31 Water-sewer, ((~~sewer, water,~~)) park and recreation, metropolitan
32 park, county rural library, cemetery, flood control, mosquito control,
33 diking and drainage, irrigation or reclamation, weed, health, or fire
34 protection districts, and any air pollution control authority,
35 hereinafter referred to as "special districts," which are located
36 wholly or in part within a county with a population of two hundred ten
37 thousand or more may be disincorporated when the district has not

1 actively carried out any of the special purposes or functions for which
2 it was formed within the preceding consecutive five-year period.

3 **PART II - MISCELLANEOUS CORRECTIONS**

4 **Sec. 25.** RCW 27.12.470 and 1994 c 198 s 2 are each amended to read
5 as follows:

6 A rural partial-county library district may be created in a portion
7 of the unincorporated area of a county as provided in this section if
8 a rural county library district, intercounty rural library district, or
9 island library district has not been created in the county.

10 The procedure to create a rural partial-county library district is
11 initiated by the filing of petitions with the county auditor proposing
12 the creation of the district that have been signed by at least ten
13 percent of the registered voters residing in the area proposed to be
14 included in the rural partial-county library district. The county
15 auditor shall review the petitions and certify the sufficiency or
16 insufficiency of the signatures to the county legislative authority.

17 If the petitions are certified as having sufficient valid
18 signatures, the county legislative authority shall hold a public
19 hearing on the proposed rural partial-county library district, may
20 adjust the boundaries of the proposed district, and may cause a ballot
21 proposition to be submitted to the voters of the proposed rural
22 partial-county library district authorizing its creation if the county
23 legislative authority finds that the creation of the rural partial-
24 county library district is in the public interest. A subsequent public
25 hearing shall be held if additional territory is added to the proposed
26 rural partial-county library district by action of the county
27 legislative authority.

28 The rural partial-county library district shall be created if the
29 ballot proposition authorizing the creation of the district is approved
30 by a simple majority vote of the voters voting on the proposition.
31 Immediately after creation of the rural partial-county library district
32 the county legislative authority shall appoint a board of library
33 trustees for the district as provided under RCW 27.12.190.

34 Except as provided in this section, a rural partial-county library
35 district is subject to all the provisions of law applicable to a rural
36 county library district and shall have all the powers, duties, and
37 authorities of a rural county library district, including, but not

1 limited to, the authority to impose property taxes, incur debt, and
2 annex a city or town with a population of less than one hundred
3 thousand at the time of the annexation that is located in the same
4 county as the rural partial-county library district.

5 Adjacent unincorporated territory in the county may be annexed to
6 a rural partial-county library district in the same manner as territory
7 is annexed to a water-sewer district, except that an annexation is not
8 subject to potential review by a boundary review board.

9 If, at the time of creation, a rural partial-county library
10 district has an assessed valuation of less than fifty million dollars,
11 it may provide library services only by contracting for the services
12 through an interlocal agreement with an adjacent library district, or
13 an adjacent city or town that maintains its own library. If the
14 assessed valuation of the rural partial-county library district
15 subsequently reaches fifty million dollars as a result of annexation or
16 appreciation, the fifty million dollar limitation shall not apply.

17 If a ballot proposition is approved creating a rural county library
18 district in the county, every rural partial-county library district in
19 that county shall be dissolved and its assets and liabilities
20 transferred to the rural county library district. Where a rural
21 partial-county library district has annexed a city or town, the voters
22 of the city or town shall be allowed to vote on the proposed creation
23 of a rural county library district and, if created, the rural county
24 library district shall include each city and town that was annexed to
25 the rural partial-county library district.

26 Nothing in this section authorizes the consolidation of a rural
27 partial-county library district with any rural county library district;
28 island library district; city, county, or regional library; intercounty
29 library district; or other rural partial-county library district,
30 unless, in addition to any other requirements imposed by statute, the
31 boards of all library districts involved approve the consolidation.

32 **Sec. 26.** RCW 32.20.070 and 1955 c 13 s 32.20.070 are each amended
33 to read as follows:

34 A mutual savings bank may invest its funds in the valid warrants or
35 bonds of any county, city, town, school district, port district, water-
36 sewer district, or other municipal corporation in the state of
37 Washington issued pursuant to law and for the payment of which the

1 faith and credit of such county, municipality, or district is pledged
2 and taxes are leviable upon all taxable property within its limits.

3 A mutual savings bank may invest its funds in the water revenue,
4 sewer revenue, or electric revenue bonds of any city or public utility
5 district of this state for the payment of which the entire revenue of
6 the city's or district's water system, sewer system, or electric
7 system, less maintenance and operating costs, is irrevocably pledged.

8 **Sec. 27.** RCW 32.20.110 and 1955 c 13 s 32.20.110 are each amended
9 to read as follows:

10 A mutual savings bank may invest its funds in the bonds of any port
11 district, (~~water district,~~) sanitary district, water-sewer district,
12 tunnel district, bridge district, flood control district, park
13 district, or highway district in the United States which has a
14 population as shown by the last decennial federal census of not less
15 than one hundred fifty thousand inhabitants, and has taxable real
16 property with an assessed valuation in excess of two hundred million
17 dollars and has power to levy taxes on the taxable real property
18 therein for the payment of the bonds without limitation of rate or
19 amount.

20 **Sec. 28.** RCW 35.13A.020 and 1998 c 326 s 2 are each amended to
21 read as follows:

22 (1) Whenever all of the territory of a (~~water-sewer~~) district is
23 included within the corporate boundaries of a city, the city
24 legislative body may adopt a resolution or ordinance to assume
25 jurisdiction over all of the district.

26 (2) Upon the assumption, all real and personal property,
27 franchises, rights, assets, taxes levied but not collected for the
28 district for other than indebtedness, water, sewer, and drainage
29 facilities, and all other facilities and equipment of the district
30 shall become the property of the city subject to all financial,
31 statutory, or contractual obligations of the district for the security
32 or performance of which the property may have been pledged. The city,
33 in addition to its other powers, shall have the power to manage,
34 control, maintain, and operate the property, facilities and equipment
35 and to fix and collect service and other charges from owners and
36 occupants of properties so served by the city, subject, however, to any
37 outstanding indebtedness, bonded or otherwise, of the district payable

1 from taxes, assessments, or revenues of any kind or nature and to any
2 other contractual obligations of the district.

3 (3) The city may by resolution or ordinance of its legislative
4 body, assume the obligation of paying such district indebtedness and of
5 levying and of collecting or causing to be collected the district
6 taxes, assessments, and utility rates and charges of any kind or nature
7 to pay and secure the payment of the indebtedness, according to all of
8 the terms, conditions and covenants incident to the indebtedness, and
9 shall assume and perform all other outstanding contractual obligation
10 of the district in accordance with all of their terms, conditions, and
11 covenants. An assumption shall not be deemed to impair the obligation
12 of any indebtedness or other contractual obligation. During the period
13 until the outstanding indebtedness of the district has been discharged,
14 the territory of the district and the owners and occupants of property
15 therein, shall continue to be liable for its and their proportionate
16 share of the indebtedness, including any outstanding assessments levied
17 within any local improvement district or utility local improvement
18 district thereof. The city shall assume the obligation of causing the
19 payment of the district's indebtedness, collecting the district's
20 taxes, assessments, and charges, and observing and performing the other
21 district contractual obligations. The legislative body of the city
22 shall act as the officers of the district for the purpose of certifying
23 the amount of any property tax to be levied and collected therein, and
24 causing service and other charges and assessments to be collected from
25 the property or owners or occupants thereof, enforcing the collection
26 and performing all other acts necessary to ensure performance of the
27 district's contractual obligations in the same manner and by the same
28 means as if the territory of the district had not been included within
29 the boundaries of a city.

30 When a city assumes the obligation of paying the outstanding
31 indebtedness, and if property taxes or assessments have been levied and
32 service and other charges have accrued for this purpose but have not
33 been collected by the district prior to the assumption, the same when
34 collected shall belong and be paid to the city and be used by the city
35 so far as necessary for payment of the indebtedness of the district
36 existing and unpaid on the date the city assumes the indebtedness. Any
37 funds received by the city which have been collected for the purpose of
38 paying any bonded or other indebtedness of the district, shall be used
39 for the purpose for which they were collected and for no other purpose.

1 Any outstanding indebtedness shall be paid as provided in the terms,
2 conditions, and covenants of the indebtedness. All funds of the
3 district on deposit with the county treasurer at the time of title
4 transfer shall be used by the city solely for the benefit of the
5 assumed utility and shall not be transferred to or used for the benefit
6 of the city's general fund.

7 **Sec. 29.** RCW 35.13A.030 and 1971 ex.s. c 95 s 3 are each amended
8 to read as follows:

9 Whenever a portion of a (~~water district or sewer~~) district equal
10 to at least sixty percent of the area or sixty percent of the assessed
11 valuation of the real property lying within such district, is included
12 within the corporate boundaries of a city, the city may assume by
13 ordinance the full and complete management and control of that portion
14 of the entire district not included within another city, whereupon the
15 provisions of RCW 35.13A.020 shall be operative; or the city may
16 proceed directly under the provisions of RCW 35.13A.050.

17 **Sec. 30.** RCW 35.13A.040 and 1971 ex.s. c 95 s 4 are each amended
18 to read as follows:

19 Whenever the portion of a (~~water or sewer~~) district included
20 within the corporate boundaries of a city is less than sixty percent of
21 the area of the district and less than sixty percent of the assessed
22 valuation of the real property within the district, the city may elect
23 to proceed under the provisions of RCW 35.13A.050.

24 **Sec. 31.** RCW 35.13A.060 and 1971 ex.s. c 95 s 6 are each amended
25 to read as follows:

26 Whenever more than one city, in whole or in part, is included
27 within a (~~water district or sewer~~) district, the city which has
28 within its boundaries sixty percent or more of the area of the assessed
29 valuation of the district (in this section referred to as the
30 "principal city") may, with the approval of any other city containing
31 part of such district, assume responsibility for operation and
32 maintenance of the district's property, facilities and equipment within
33 such other city and make and enforce such charges for operation,
34 maintenance and retirement of indebtedness as may be reasonable under
35 all the circumstances.

1 Any other city having less than sixty percent in area or assessed
2 valuation of such district, within its boundaries may install
3 facilities and create local improvement districts or otherwise finance
4 the cost of installation of such facilities and if such facilities have
5 been installed in accordance with reasonable standards fixed by the
6 principal city, such other city may connect such facilities to the
7 utility system of such district operated by the principal city upon
8 providing for payment by the owners or occupants of properties served
9 thereby, of such charges established by the principal city as may be
10 reasonable under the circumstances.

11 **Sec. 32.** RCW 35.13A.090 and 1971 ex.s. c 95 s 9 are each amended
12 to read as follows:

13 Whenever a city acquires all of the facilities of a ((water
14 ~~district or sewer~~)) district, pursuant to this chapter, such a city
15 shall offer to employ every full time employee of the district who is
16 engaged in the operation of such a district's facilities on the date on
17 which such city acquires the district facilities. When a city acquires
18 any portion of the facilities of such a district, such a city shall
19 offer to employ full time employees of the district as of the date of
20 the acquisition of the facilities of the district who are not longer
21 needed by the district.

22 Whenever a city employs a person who was employed immediately prior
23 thereto by the district, arrangements shall be made:

24 (1) (~~For the retention of service credits under the pension plan~~
25 ~~of the district pursuant to RCW 41.04.070 through 41.04.110.~~

26 ~~(2))~~ For the retention of all sick leave standing to the
27 employee's credit in the plan of such district.

28 ~~((3))~~ (2) For a vacation with pay during the first year of
29 employment equivalent to that to which he would have been entitled if
30 he had remained in the employment of the district.

31 **Sec. 33.** RCW 35.58.210 and 1974 ex.s. c 70 s 7 are each amended to
32 read as follows:

33 If a metropolitan municipal corporation shall be authorized to
34 perform the function of metropolitan water pollution abatement, the
35 metropolitan council shall, prior to the effective date of the
36 assumption of such function, cause a metropolitan water pollution
37 abatement advisory committee to be formed by notifying the legislative

1 body of each component city and county which operates a sewer system to
2 appoint one person to serve on such advisory committee and the board of
3 commissioners of each water-sewer district (~~((and water district))~~) which
4 operates a sewer system, any portion of which lies within the
5 metropolitan area, to appoint one person to serve on such committee who
6 shall be a commissioner of such a water-sewer (~~((or water))~~) district.
7 The metropolitan water pollution abatement advisory committee shall
8 meet at the time and place provided in the notice and elect a chairman.
9 The members of such committee shall serve at the pleasure of the
10 appointing bodies and shall receive no compensation other than
11 reimbursement for expenses actually incurred in the performance of
12 their duties. The function of such advisory committee shall be to
13 advise the metropolitan council in matters relating to the performance
14 of the water pollution (~~{{abatement}}~~) abatement function.

15 **Sec. 34.** RCW 35.58.220 and 1965 c 7 s 35.58.220 are each amended
16 to read as follows:

17 If a metropolitan municipal corporation shall be authorized to
18 perform the function of metropolitan water supply, it shall have the
19 following powers in addition to the general powers granted by this
20 chapter:

21 (1) To prepare a comprehensive plan for the development of sources
22 of water supply, trunk supply mains and water treatment and storage
23 facilities for the metropolitan area.

24 (2) To acquire by purchase, condemnation, gift or grant and to
25 lease, construct, add to, improve, replace, repair, maintain, operate
26 and regulate the use of metropolitan facilities for water supply within
27 or without the metropolitan area, including buildings, structures,
28 water sheds, wells, springs, dams, settling basins, intakes, treatment
29 plants, trunk supply mains and pumping stations, together with all
30 lands, property, equipment and accessories necessary to enable the
31 metropolitan municipal corporation to obtain and develop sources of
32 water supply, treat and store water and deliver water through trunk
33 supply mains. Water supply facilities which are owned by a city or
34 special district may be acquired or used by the metropolitan municipal
35 corporation only with the consent of the legislative body of the city
36 or special district owning such facilities. Cities and special
37 districts are hereby authorized to convey or lease such facilities to
38 metropolitan municipal corporations or to contract for their joint use

1 on such terms as may be fixed by agreement between the legislative body
2 of such city or special district and the metropolitan council, without
3 submitting the matter to the voters of such city or special district.

4 (3) To fix rates and charges for water supplied by the metropolitan
5 municipal corporation.

6 (4) To acquire by purchase, condemnation, gift or grant and to
7 lease, construct, add to, improve, replace, repair, maintain, operate
8 and regulate the use of facilities for the local distribution of water
9 in portions of the metropolitan area not contained within any city, or
10 water-sewer district that operates a water system, and, with the
11 consent of the legislative body of any city or the water-sewer
12 district, to exercise such powers within such city or water-sewer
13 district and for such purpose to have all the powers conferred by law
14 upon such city or water-sewer district with respect to such local
15 distribution facilities. All costs of such local distribution
16 facilities shall be paid for by the area served thereby.

17 **Sec. 35.** RCW 35.58.230 and 1993 c 240 s 5 are each amended to read
18 as follows:

19 If a metropolitan municipal corporation shall be authorized to
20 perform the function of metropolitan water supply, the metropolitan
21 council shall, prior to the effective date of the assumption of such
22 function, cause a metropolitan water advisory committee to be formed by
23 notifying the legislative body of each component city which operates a
24 water system to appoint one person to serve on such advisory committee
25 and the board of commissioners of each water-sewer district that
26 operates a water system, any portion of which lies within the
27 metropolitan area, to appoint one person to serve on such committee who
28 shall be a water-sewer district commissioner. The metropolitan water
29 advisory committee shall meet at the time and place provided in the
30 notice and elect a chairman. The members of such committee shall serve
31 at the pleasure of the appointing bodies and shall receive no
32 compensation other than reimbursement for expenses actually incurred in
33 the performance of their duties. The function of such advisory
34 committee shall be to advise the metropolitan council with respect to
35 matters relating to the performance of the water supply function.

36 The requirement to create a metropolitan water advisory committee
37 shall not apply to a county that has assumed the rights, powers,

1 functions, and obligations of the metropolitan municipal corporation
2 under chapter 36.56 RCW.

3 **Sec. 36.** RCW 35.58.410 and 1998 c 321 s 26 are each amended to
4 read as follows:

5 (1) On or before the third Monday in June of each year, each
6 metropolitan municipal corporation shall adopt a budget for the
7 following calendar year. Such budget shall include a separate section
8 for each authorized metropolitan function. Expenditures shall be
9 segregated as to operation and maintenance expenses and capital and
10 betterment outlays. Administrative and other expense general to the
11 corporation shall be allocated between the authorized metropolitan
12 functions. The budget shall contain an estimate of all revenues to be
13 collected during the following budget year, including any surplus funds
14 remaining unexpended from the preceding year. The metropolitan council
15 shall not be required to confine capital or betterment expenditures
16 made from bond proceeds or emergency expenditures to items provided in
17 the budget. The affirmative vote of three-fourths of all members of
18 the metropolitan council shall be required to authorize emergency
19 expenditures.

20 (2) Subsection (1) of this section shall not apply to a county that
21 has assumed the rights, powers, functions, and obligations of a
22 metropolitan municipal corporation under chapter 36.56 RCW. This
23 subsection (2) shall apply only to each county that has assumed the
24 rights, powers, functions, and obligations of a metropolitan municipal
25 corporation under chapter 36.56 RCW.

26 Each county that has assumed the rights, powers, functions, and
27 obligations of a metropolitan municipal corporation under chapter 36.56
28 RCW shall, on or before the third Monday in June of each year, prepare
29 an estimate of all revenues to be collected during the following
30 calendar year, including any surplus funds remaining unexpended from
31 the preceding year for each authorized metropolitan function.

32 By June 30 of each year, the county shall adopt the rate for sewage
33 disposal that will be charged to component cities and water-sewer
34 districts during the following budget year.

35 As long as any general obligation indebtedness remains outstanding
36 that was issued by the metropolitan municipal corporation prior to the
37 assumption by the county, the county shall continue to impose the taxes
38 authorized by RCW 82.14.045 and 35.58.273(4) at the maximum rates and

1 on all of the taxable events authorized by law. If, despite the
2 continued imposition of those taxes, the estimate of revenues made on
3 or before the third Monday in June shows that estimated revenues will
4 be insufficient to make all debt service payments falling due in the
5 following calendar year on all general obligation indebtedness issued
6 by the metropolitan municipal corporation prior to the assumption by
7 the county of the rights, powers, functions, and obligations of the
8 metropolitan municipal corporation, the remaining amount required to
9 make the debt service payments shall be designated as "supplemental
10 income" and shall be obtained from component cities and component
11 counties as provided under RCW 35.58.420.

12 The county shall prepare and adopt a budget each year in accordance
13 with applicable general law or county charter. If supplemental income
14 has been designated under this subsection, the supplemental income
15 shall be reflected in the budget that is adopted. If during the budget
16 year the actual tax revenues from the taxes imposed under the authority
17 of RCW 82.14.045 and 35.58.273(4) exceed the estimates upon which the
18 supplemental income was based, the difference shall be refunded to the
19 component cities and component counties in proportion to their payments
20 promptly after the end of the budget year. A county that has assumed
21 the rights, powers, functions, and obligations of a metropolitan
22 municipal corporation under chapter 36.56 RCW shall not be required to
23 confine capital or betterment expenditures for authorized metropolitan
24 functions from bond proceeds or emergency expenditures to items
25 provided in the budget.

26 **Sec. 37.** RCW 35.67.300 and 1965 c 7 s 35.67.300 are each amended
27 to read as follows:

28 Any city, town, or organized and established water-sewer district
29 owning or operating its own sewer system, whenever topographic
30 conditions shall make it feasible and whenever such existing sewer
31 system shall be adequate therefor in view of the sewerage and drainage
32 requirements of the property in such city, town, or water-sewer
33 district, served or to be served by such system, may contract with any
34 other city, town, or organized and established water-sewer district for
35 the discharge into its sewer system of sewage from all or any part or
36 parts of such other city, town, or water-sewer district upon such terms
37 and conditions and for such periods of time as may be deemed
38 reasonable.

1 Any city, town, or organized and established water-sewer district
2 may contract with any other city, town, or organized and established
3 water-sewer district for the construction and/or operation of any sewer
4 or sewage disposal facilities for the joint use and benefit of the
5 contracting parties upon such terms and conditions and for such period
6 of time as the governing bodies of the contracting parties may
7 determine. Any such contract may provide that the responsibility for
8 the management of the construction and/or maintenance and operation of
9 any sewer disposal facilities or part thereof covered by such contract
10 shall be vested solely in one of the contracting parties, with the
11 other party or parties thereto paying to the managing party such
12 portion of the expenses thereof as shall be agreed upon.

13 **Sec. 38.** RCW 35.91.020 and 1981 c 313 s 11 are each amended to
14 read as follows:

15 The governing body of any city, town, county, water-sewer district,
16 (~~(water district,)~~) or drainage district, hereinafter referred to as a
17 "municipality" may contract with owners of real estate for the
18 construction of storm, sanitary, or combination sewers, pumping
19 stations, and disposal plants, water mains, hydrants, reservoirs, or
20 appurtenances, hereinafter called "water or sewer facilities," within
21 their boundaries or (except for counties) within ten miles from their
22 corporate limits connecting with the public water or sewerage system to
23 serve the area in which the real estate of such owners is located, and
24 to provide for a period of not to exceed fifteen years for the
25 reimbursement of such owners and their assigns by any owner of real
26 estate who did not contribute to the original cost of such water or
27 sewer facilities and who subsequently tap onto or use the same of a
28 fair pro rata share of the cost of the construction of said water or
29 sewer facilities, including not only those directly connected thereto,
30 but also users connected to laterals or branches connecting thereto,
31 subject to such reasonable rules and regulations as the governing body
32 of such municipality may provide or contract, and notwithstanding the
33 provisions of any other law. To the extent it may require in the
34 performance of such contract, such municipality may install said water
35 or sewer facilities in and along the county streets in the area to be
36 served as hereinabove provided, subject to such reasonable requirements
37 as to the manner of occupancy of such streets as the county may by
38 resolution provide. The provisions of such contract shall not be

1 effective as to any owner of real estate not a party thereto unless
2 such contract has been recorded in the office of the county auditor of
3 the county in which the real estate of such owner is located prior to
4 the time such owner taps into or connects to said water or sewer
5 facilities. (~~(The power of the governing body of such municipality to~~
6 ~~so contract also applies to water or sewer facilities in process of~~
7 ~~construction on June 10, 1959, or which have not been finally approved~~
8 ~~or accepted for full maintenance and operation by such municipality~~
9 ~~upon June 10, 1959.)~~)

10 **Sec. 39.** RCW 35.92.012 and 1965 c 7 s 35.92.012 are each amended
11 to read as follows:

12 A city or town, whose boundaries are identical with those of a
13 water-sewer district, or within which a water-sewer district is
14 entirely located, which is free from all debts and liabilities except
15 contractual obligations between the district and the town, may accept
16 the property and assets of the ((~~water~~)) district and operate such
17 property and assets as a municipal waterworks, if the district and the
18 city or town each participate in a summary dissolution proceedings for
19 the district as provided in RCW 57.04.110.

20 **Sec. 40.** RCW 35.92.170 and 1965 c 7 s 35.92.170 are each amended
21 to read as follows:

22 When a city or town owns or operates a municipal waterworks system
23 and desires to extend such utility beyond its corporate limits it may
24 acquire, construct and maintain any addition to or extension of the
25 system, and dispose of and distribute water to any other municipality,
26 water-sewer district, community, or person desiring to purchase it.

27 **Sec. 41.** RCW 35.97.010 and 1987 c 522 s 4 are each amended to read
28 as follows:

29 Unless the context clearly requires otherwise, the definitions in
30 this section apply throughout this chapter.

31 (1) "Biomass energy system" means a system that provides for the
32 production or collection of organic materials such as wood and
33 agricultural residues and municipal solid waste that are primarily
34 organic materials and the conversion or use of that material for the
35 production of heat or substitute fuels through several processes

1 including, but not limited to, burning, pyrolysis, or anaerobic
2 digestion.

3 (2) "Cogeneration" means the sequential generation of two or more
4 forms of energy from a common fuel or energy source.

5 (3) "Cogeneration facility" means any machinery, equipment,
6 structure, process, or property or any part thereof, installed or
7 acquired for the primary purpose of cogeneration by a person or
8 corporation.

9 (4) "Geothermal heat" means the natural thermal energy of the
10 earth.

11 (5) "Waste heat" means the thermal energy which otherwise would be
12 released to the environment from an industrial process, electric
13 generation, or other process.

14 (6) "Heat" means thermal energy.

15 (7) "Heat source" includes but is not limited to (a) any integral
16 part of a heat production or heat rejection system of an industrial
17 facility, cogeneration facility, or electric power generation facility,
18 (b) geothermal well or spring, (c) biomass energy system, (d) solar
19 collection facility, and (e) hydrothermal resource or heat extraction
20 process.

21 (8) "Municipality" means a county, city, town, irrigation district
22 which distributes electricity, water-sewer district, (~~water~~
23 ~~district~~), port district, or metropolitan municipal corporation.

24 (9) "Heating facilities or heating systems" means all real and
25 personal property, or interests therein, necessary or useful for: (a)
26 The acquisition, production, or extraction of heat; (b) the storage of
27 heat; (c) the distribution of heat from its source to the place of
28 utilization; (d) the extraction of heat at the place of utilization
29 from the medium by which the heat is distributed; (e) the distribution
30 of heat at the place of utilization; and (f) the conservation of heat.

31 (10) "Hydrothermal resource" means the thermal energy available in
32 wastewater, sewage effluent, wells, or other water sources, natural or
33 manmade.

34 **Sec. 42.** RCW 35.97.050 and 1996 c 230 s 1603 are each amended to
35 read as follows:

36 If the legislative authority of a municipality deems it advisable
37 that the municipality purchase, acquire, or construct a heating system,
38 or make any additions or extensions to a heating system, the

1 legislative authority shall so provide by an ordinance or a resolution
2 specifying and adopting the system or plan proposed, declaring the
3 estimated cost thereof, as near as may be, and specifying the method of
4 financing and source of funds. Any construction, alteration, or
5 improvement of a heating system by any (~~county, city, town, irrigation~~
6 ~~district, water-sewer district, or port district~~) municipality shall
7 be in compliance with the appropriate competitive bidding requirements
8 in Titles 35, 36, 53, 57, or 87 RCW.

9 **Sec. 43.** RCW 36.16.138 and 1975 c 16 s 1 are each amended to read
10 as follows:

11 Any board of commissioners, council, or board of directors or other
12 governing board of any county, city, town, school district, port
13 district, public utility district, water-sewer district, (~~water~~
14 ~~district,~~) irrigation district, or other municipal corporation or
15 political subdivision is authorized to purchase insurance to protect
16 and hold personally harmless any of its commissioners, council members,
17 directors, or other governing board members, and any of its other
18 officers, employees, and agents from any action, claim, or proceeding
19 instituted against the foregoing individuals arising out of the
20 performance, purported performance, or failure of performance, in good
21 faith of duties for, or employment with, such institutions and to hold
22 these individuals harmless from any expenses connected with the
23 defense, settlement, or monetary judgments from such actions, claims,
24 or proceedings. The purchase of such insurance for any of the
25 foregoing individuals and the policy limits shall be discretionary with
26 the municipal corporation or political subdivision, and such insurance
27 shall not be considered to be compensation for these individuals.

28 The provisions of this section are cumulative and in addition to
29 any other provision of law authorizing any municipal corporation or
30 political subdivision to purchase liability insurance.

31 **Sec. 44.** RCW 36.93.020 and 1979 ex.s. c 30 s 5 are each amended to
32 read as follows:

33 As used herein:

34 (1) "Governmental unit" means any incorporated city or town,
35 metropolitan municipal corporation, or any special purpose district as
36 defined in this section.

1 (2) "Special purpose district" means any water-sewer district,
2 (~~water district,~~) fire protection district, drainage improvement
3 district, drainage and diking improvement district, flood control zone
4 district, irrigation district, metropolitan park district, drainage
5 district, or public utility district engaged in water distribution.

6 (3) "Board" means a boundary review board created by or pursuant to
7 this chapter.

8 **Sec. 45.** RCW 36.93.093 and 1971 ex.s. c 127 s 2 are each amended
9 to read as follows:

10 Whenever a (~~sewer or~~) water-sewer district files with the board
11 a notice of intention as required by RCW 36.93.090, the board shall
12 send a copy of such notice of intention to the legislative authority of
13 the county wherein such action is proposed to be taken and one copy to
14 the state department of ecology.

15 **Sec. 46.** RCW 36.93.105 and 1989 c 84 s 4 are each amended to read
16 as follows:

17 The following actions shall not be subject to potential review by
18 a boundary review board:

19 (1) Annexations of territory to a water (~~or~~) sewer district
20 pursuant to RCW 36.94.410 through 36.94.440;

21 (2) Revisions of city or town boundaries pursuant to RCW 35.21.790
22 or 35A.21.210;

23 (3) Adjustments to city or town boundaries pursuant to RCW
24 35.13.340; and

25 (4) Adjustments to city and town boundaries pursuant to RCW
26 35.13.300 through 35.13.330.

27 **Sec. 47.** RCW 36.93.185 and 1989 c 308 s 13 are each amended to
28 read as follows:

29 The proposal by a (~~water district or~~) water-sewer district to
30 annex territory that is not adjacent to the district shall not be
31 deemed to be violative of the objectives of a boundary review board
32 solely due to the fact that the territory is not adjacent to the
33 (~~water district or~~) water-sewer district. The proposed consolidation
34 or merger of two or more (~~water districts or two or more~~) water-sewer
35 districts that are not adjacent to each other shall not be deemed to be

1 violative of the objectives of a boundary review board solely due to
2 the fact that the districts are not adjacent.

3 **Sec. 48.** RCW 36.94.220 and 1981 c 313 s 3 are each amended to read
4 as follows:

5 (1) A county shall have the power to establish utility local
6 improvement districts and local improvement districts within the area
7 of a sewerage and/or water general plan and to levy special assessments
8 under a mode of annual installments extending over a period not
9 exceeding twenty years on all property specially benefited by any local
10 improvement on the basis of the special benefits to pay in whole or in
11 part the damages or costs of any improvements ordered in such county.

12 (2) Utility local improvement districts and local improvement
13 districts may include territory within a city or town only with the
14 written consent of the city or town, but if the local district is
15 formed before such area is included within the city or town, no such
16 consent shall be necessary. Utility local improvement districts and
17 local improvement districts used to provide sewerage disposal systems
18 may include territory within a (~~sewer district or within a~~) water-
19 sewer district providing sewerage disposal systems only with the
20 written consent of (~~the sewer district or~~) such a water-sewer
21 district, but if the local district is formed before such area is
22 included within (~~the sewer district or~~) such a water-sewer district,
23 no consent is necessary. Utility local improvement districts and local
24 improvement districts used to provide water systems may include
25 territory within (~~a water district or within~~) a water-sewer district
26 providing water systems only with the written consent of (~~the water~~
27 ~~district or~~) such a water-sewer district, but if the local district is
28 formed before such area is included within (~~the water district or~~)
29 such a water-sewer district, no consent is necessary.

30 (3) The levying, collection, and enforcement of all public
31 assessments hereby authorized shall be in the manner now and hereafter
32 provided by law for the levying, collection, and enforcement of local
33 improvement assessments by cities and towns, insofar as the same shall
34 not be inconsistent with the provisions of this chapter. In addition,
35 the county shall file the preliminary assessment roll at the time and
36 in the manner prescribed in RCW 35.50.005. The duties devolving upon
37 the city or town treasurer under such laws are imposed upon the county
38 treasurer for the purposes of this chapter. The mode of assessment

1 shall be in the manner to be determined by the county legislative
2 authority by ordinance or resolution. As an alternative to equal
3 annual assessment installments of principal provided for cities and
4 towns, a county legislative authority may provide for the payment of
5 such assessments in equal annual installments of principal and
6 interest. Assessments in any local district may be made on the basis
7 of special benefits up to but not in excess of the total cost of any
8 sewerage and/or water improvement made with respect to that local
9 district and the share of any general sewerage and/or water facilities
10 allocable to that district. In utility local improvement districts,
11 assessments shall be deposited into the revenue bond fund or general
12 obligation bond fund established for the payment of bonds issued to pay
13 such costs which bond payments are secured in part by the pledge of
14 assessments, except pending the issuance and sale of such bonds,
15 assessments may be deposited in a fund for the payment of such costs.
16 In local improvement districts, assessments shall be deposited into a
17 fund for the payment of such costs and local improvement bonds issued
18 to finance the same or into the local improvement guaranty fund as
19 provided by applicable statute.

20 **Sec. 49.** RCW 36.94.430 and 1984 c 147 s 3 are each amended to read
21 as follows:

22 The provisions of RCW 36.94.410 and 36.94.420 provide an
23 alternative method of accomplishing the transfer permitted by those
24 sections and do not impose additional conditions upon the exercise of
25 powers vested in water ((and))_ sewer districts and counties.

26 **Sec. 50.** RCW 36.96.010 and 1979 ex.s. c 5 s 1 are each amended to
27 read as follows:

28 As used in this chapter, unless the context requires otherwise:

29 (1) "Special purpose district" means every municipal and quasi-
30 municipal corporation other than counties, cities, and towns. Such
31 special purpose districts shall include, but are not limited to, water_
32 sewer districts, fire protection districts, port districts, public
33 utility districts, county park and recreation service areas, flood
34 control zone districts, diking districts, drainage improvement
35 districts, and solid waste collection districts, but shall not include
36 industrial development districts created by port districts, and shall

1 not include local improvement districts, utility local improvement
2 districts, and road improvement districts;

3 (2) "Governing authority" means the commission, council, or other
4 body which directs the affairs of a special purpose district;

5 (3) "Inactive" means that a special purpose district, other than a
6 public utility district, is characterized by either of the following
7 criteria:

8 (a) Has not carried out any of the special purposes or functions
9 for which it was formed within the preceding consecutive five-year
10 period; or

11 (b) No election has been held for the purpose of electing a member
12 of the governing body within the preceding consecutive seven-year
13 period or, in those instances where members of the governing body are
14 appointed and not elected, where no member of the governing body has
15 been appointed within the preceding seven-year period.

16 A public utility district is inactive when it is characterized by both
17 criteria (a) and (b) of this subsection.

18 **Sec. 51.** RCW 36.94.410 and 1984 c 147 s 1 are each amended to read
19 as follows:

20 A system of sewerage, system of water or combined water and
21 sewerage systems operated by a county under the authority of this
22 chapter may be transferred from that county to a water ((or))_ sewer
23 district in the same manner as is provided for the transfer of those
24 functions from a water ((or))_ sewer district to a county in RCW
25 36.94.310 through 36.94.340.

26 **Sec. 52.** RCW 36.94.420 and 1996 c 230 s 1609 are each amended to
27 read as follows:

28 If so provided in the transfer agreement, the area served by the
29 system shall, upon completion of the transfer, be deemed annexed to and
30 become a part of the water-sewer district acquiring the system. The
31 county shall provide notice of the hearing by the county legislative
32 authority on the ordinance executing the transfer agreement under RCW
33 36.94.330 as follows: (1) By mailed notice to all ratepayers served by
34 the system at least fifteen days prior to the hearing; and (2) by
35 notice in a newspaper of general circulation once at least fifteen days
36 prior to the hearing.

1 In the event of an annexation under this section resulting from the
2 transfer of a system of sewerage, a system of water, or combined water
3 and sewer systems from a county to a water-sewer district ((governed by
4 ~~Title 57 RCW~~)), the water-sewer district shall ((~~have all the powers of~~
5 ~~a water sewer district provided by chapter 57.36 RCW, as if a water-~~
6 ~~sewer district had been merged into a water sewer district~~)) operate
7 the system or systems under the provisions of Title 57 RCW.

8 **Sec. 53.** RCW 39.69.010 and 1987 c 19 s 1 are each amended to read
9 as follows:

10 As used in this chapter, "municipal corporation" includes counties,
11 cities, towns, port districts, (~~sewer districts,~~) water-sewer
12 districts, school districts, metropolitan park districts, or such other
13 units of local government which are authorized to issue obligations.

14 **Sec. 54.** RCW 39.50.010 and 1998 c 106 s 8 are each amended to read
15 as follows:

16 As used in this chapter, the following terms have the meanings
17 indicated unless the context clearly requires otherwise.

18 (1) "Governing body" means the legislative authority of a municipal
19 corporation by whatever name designated;

20 (2) "Local improvement district" includes local improvement
21 districts, utility local improvement districts, road improvement
22 districts, and other improvement districts that a municipal corporation
23 is authorized by law to establish;

24 (3) "Municipal corporation" means any city, town, county, (~~water~~
25 ~~district,~~) water-sewer district, school district, port district,
26 public utility district, metropolitan municipal corporation, public
27 transportation benefit area, park and recreation district, irrigation
28 district, fire protection district or any other municipal or quasi
29 municipal corporation described as such by statute, or regional transit
30 authority, except joint operating agencies under chapter 43.52 RCW;

31 (4) "Ordinance" means an ordinance of a city or town or resolution
32 or other instrument by which the governing body of the municipal
33 corporation exercising any power under this chapter takes formal action
34 and adopts legislative provisions and matters of some permanency; and

35 (5) "Short-term obligations" are warrants, notes, or other
36 evidences of indebtedness, except bonds.

1 **Sec. 55.** RCW 39.80.020 and 1981 c 61 s 2 are each amended to read
2 as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section shall apply throughout this chapter.

5 (1) "State agency" means any department, agency, commission,
6 bureau, office, or any other entity or authority of the state
7 government.

8 (2) "Local agency" means any city and any town, county, special
9 district, municipal corporation, agency, port district or authority, or
10 political subdivision of any type, or any other entity or authority of
11 local government in corporate form or otherwise.

12 (3) "Special district" means a local unit of government, other than
13 a city, town, or county, authorized by law to perform a single function
14 or a limited number of functions, and including but not limited to,
15 water-sewer districts, irrigation districts, fire districts, school
16 districts, community college districts, hospital districts, (~~sewer~~
17 ~~districts,~~) transportation districts, and metropolitan municipal
18 corporations organized under chapter 35.58 RCW.

19 (4) "Agency" means both state and local agencies and special
20 districts as defined in subsection(~~(1)~~)s (1), (2), and (3) of this
21 section.

22 (5) "Architectural and engineering services" or "professional
23 services" means professional services rendered by any person, other
24 than as an employee of the agency, contracting to perform activities
25 within the scope of the general definition of professional practice in
26 chapters 18.08, 18.43, or 18.96 RCW.

27 (6) "Person" means any individual, organization, group,
28 association, partnership, firm, joint venture, corporation, or any
29 combination thereof.

30 (7) "Consultant" means any person providing professional services
31 who is not an employee of the agency for which the services are
32 provided.

33 (8) "Application" means a completed statement of qualifications
34 together with a request to be considered for the award of one or more
35 contracts for professional services.

36 **Sec. 56.** RCW 43.20.240 and 1990 c 132 s 3 are each amended to read
37 as follows:

1 (1) The department shall have primary responsibility among state
2 agencies to receive complaints from persons aggrieved by the failure of
3 a public water system. If the remedy to the complaint is not within
4 the jurisdiction of the department, the department shall refer the
5 complaint to the state or local agency that has the appropriate
6 jurisdiction. The department shall take such steps as are necessary to
7 inform other state agencies of their primary responsibility for such
8 complaints and the implementing procedures.

9 (2) Each county shall designate a contact person to the department
10 for the purpose of receiving and following up on complaint referrals
11 that are within county jurisdiction. In the absence of any such
12 designation, the county health officer shall be responsible for
13 performing this function.

14 (3) The department and each county shall establish procedures for
15 providing a reasonable response to complaints received from persons
16 aggrieved by the failure of a public water system.

17 (4) The department and each county shall use all reasonable efforts
18 to assist customers of public water systems in obtaining a dependable
19 supply of water at all times. The availability of resources and the
20 public health significance of the complaint shall be considered when
21 determining what constitutes a reasonable effort.

22 (5) The department shall, in consultation with local governments,
23 water utilities, water-sewer districts, public utility districts, and
24 other interested parties, develop a booklet or other single document
25 that will provide to members of the public the following information:

26 (a) A summary of state law regarding the obligations of public
27 water systems in providing drinking water supplies to their customers;

28 (b) A summary of the activities, including planning, rate setting,
29 and compliance, that are to be performed by both local and state
30 agencies;

31 (c) The rights of customers of public water systems, including
32 identification of agencies or offices to which they may address the
33 most common complaints regarding the failures or inadequacies of public
34 water systems.

35 This booklet or document shall be available to members of the
36 public no later than January 1, 1991.

37 **Sec. 57.** RCW 43.70.195 and 1994 c 292 s 3 are each amended to read
38 as follows:

1 (1) In any action brought by the secretary of health or by a local
2 health officer pursuant to chapter 7.60 RCW to place a public water
3 system in receivership, the petition shall include the names of one or
4 more suitable candidates for receiver who have consented to assume
5 operation of the water system. The department shall maintain a list of
6 interested and qualified individuals, municipal entities, special
7 purpose districts, and investor-owned water companies with experience
8 in the provision of water service and a history of satisfactory
9 operation of a water system. If there is no other person willing and
10 able to be named as receiver, the court shall appoint the county in
11 which the water system is located as receiver. The county may
12 designate a county agency to operate the system, or it may contract
13 with another individual or public water system to provide management
14 for the system. If the county is appointed as receiver, the secretary
15 of health and the county health officer shall provide regulatory
16 oversight for the agency or other person responsible for managing the
17 water system.

18 (2) In any petition for receivership under subsection (1) of this
19 section, the department shall recommend that the court grant to the
20 receiver full authority to act in the best interests of the customers
21 served by the public water system. The receiver shall assess the
22 capability, in conjunction with the department and local government,
23 for the system to operate in compliance with health and safety
24 standards, and shall report to the court and the petitioning agency its
25 recommendations for the system's future operation, including the
26 formation of a water-sewer district or other public entity, or
27 ownership by another existing water system capable of providing
28 service.

29 (3) If a petition for receivership and verifying affidavit executed
30 by an appropriate departmental official allege an immediate and serious
31 danger to residents constituting an emergency, the court shall set the
32 matter for hearing within three days and may appoint a temporary
33 receiver ex parte upon the strength of such petition and affidavit
34 pending a full evidentiary hearing, which shall be held within fourteen
35 days after receipt of the petition.

36 (4) A bond, if any is imposed upon a receiver, shall be minimal and
37 shall reasonably relate to the level of operating revenue generated by
38 the system. Any receiver appointed pursuant to this section shall not
39 be held personally liable for any good faith, reasonable effort to

1 assume possession of, and to operate, the system in compliance with the
2 court's orders.

3 (5) The court shall authorize the receiver to impose reasonable
4 assessments on a water system's customers to recover expenditures for
5 improvements necessary for the public health and safety.

6 (6) No later than twelve months after appointment of a receiver,
7 the petitioning agency, in conjunction with the county in which the
8 system is located, and the appropriate state and local health agencies,
9 shall develop and present to the court a plan for the disposition of
10 the system. The report shall include the recommendations of the
11 receiver made pursuant to subsection (2) of this section. The report
12 shall include all reasonable and feasible alternatives. After
13 receiving the report, the court shall provide notice to interested
14 parties and conduct such hearings as are necessary. The court shall
15 then order the parties to implement one of the alternatives, or any
16 combination thereof, for the disposition of the system. Such order
17 shall include a date, or proposed date, for the termination of the
18 receivership. Nothing in this section authorizes a court to require a
19 city, town, public utility district, water-sewer district, or
20 irrigation district to accept a system that has been in receivership
21 unless the city, town, public utility district, water-sewer district,
22 or irrigation district agrees to the terms and conditions outlined in
23 the plan adopted by the court.

24 (7) The court shall not terminate the receivership, and order the
25 return of the system to the owners, unless the department of health
26 approves of such an action. The court may impose reasonable conditions
27 upon the return of the system to the owner, including the posting of a
28 bond or other security, routine performance and financial audits,
29 employment of qualified operators and other staff or contracted
30 services, compliance with financial viability requirements, or other
31 measures sufficient to ensure the ongoing proper operation of the
32 system.

33 (8) If, as part of the ultimate disposition of the system, an
34 eminent domain action is commenced by a public entity to acquire the
35 system, the court shall oversee any appraisal of the system conducted
36 under Title 7 RCW to assure that the appraised value properly reflects
37 any reduced value because of the necessity to make improvements to the
38 system. The court shall have the authority to approve the appraisal,
39 and to modify it based on any information provided at an evidentiary

1 hearing. The court's determination of the proper value of the system,
2 based on the appraisal, shall be final, and only appealable if not
3 supported by substantial evidence. If the appraised value is appealed,
4 the court may order that the system's ownership be transferred upon
5 payment of the approved appraised value.

6 **Sec. 58.** RCW 43.155.030 and 1985 c 446 s 9 are each amended to
7 read as follows:

8 (1) The public works board is hereby created.

9 (2) The board shall be composed of thirteen members appointed by
10 the governor for terms of four years, except that five members
11 initially shall be appointed for terms of two years. The board shall
12 include: (a) Three members, two of whom shall be elected officials and
13 one shall be a public works manager, appointed from a list of at least
14 six persons nominated by the association of Washington cities or its
15 successor; (b) three members, two of whom shall be elected officials
16 and one shall be a public works manager, appointed from a list of at
17 least six persons nominated by the Washington state association of
18 counties or its successor; (c) three members appointed from a list of
19 at least six persons nominated jointly by the (~~Washington state~~
20 ~~association of water districts, the~~) Washington public utility
21 districts association(~~(7)~~) and (~~the Washington~~) a state association
22 of water-sewer districts, or their successors; and (d) four members
23 appointed from the general public. In appointing the four general
24 public members, the governor shall endeavor to balance the geographical
25 composition of the board and to include members with special expertise
26 in relevant fields such as public finance, architecture and civil
27 engineering, and public works construction. The governor shall appoint
28 one of the general public members of the board as chair. The term of
29 the chair shall coincide with the term of the governor.

30 (3) Staff support to the board shall be provided by the department.

31 (4) Members of the board shall receive no compensation but shall be
32 reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

33 (5) If a vacancy on the board occurs by death, resignation, or
34 otherwise, the governor shall fill the vacant position for the
35 unexpired term. Each vacancy in a position appointed from lists
36 provided by the associations under subsection (2) of this section shall
37 be filled from a list of at least three persons nominated by the
38 relevant association or associations. Any members of the board,

1 appointive or otherwise, may be removed by the governor for cause in
2 accordance with RCW 43.06.070 and 43.06.080.

3 **Sec. 59.** RCW 44.04.170 and 1970 ex.s. c 69 s 2 are each amended to
4 read as follows:

5 It shall be the duty of each association of municipal corporations
6 or municipal officers, which is recognized by law and utilized as an
7 official agency for the coordination of the policies and/or
8 administrative programs of municipal corporations, to submit
9 biennially, or oftener as necessary, to the governor and to the
10 legislature the joint recommendations of such participating
11 municipalities regarding changes which would affect the efficiency of
12 such municipal corporations. Such associations shall include but shall
13 not be limited to the Washington state association of fire
14 commissioners, (~~the Washington~~) a state association of
15 water/wastewater districts, (~~the Washington state association of sewer~~
16 ~~districts,~~) and the Washington state school directors' association.

17 **Sec. 60.** RCW 48.62.021 and 1991 sp.s. c 30 s 2 are each amended to
18 read as follows:

19 Unless the context clearly requires otherwise, the definitions in
20 this section apply throughout this chapter.

21 (1) "Local government entity" or "entity" means every unit of local
22 government, both general purpose and special purpose, and includes, but
23 is not limited to, counties, cities, towns, port districts, public
24 utility districts, (~~water districts,~~) water-sewer districts, school
25 districts, fire protection districts, irrigation districts,
26 metropolitan municipal corporations, conservation districts, and other
27 political subdivisions, governmental subdivisions, municipal
28 corporations, and quasi-municipal corporations.

29 (2) "Risk assumption" means a decision to absorb the entity's
30 financial exposure to a risk of loss without the creation of a formal
31 program of advance funding of anticipated losses.

32 (3) "Self-insurance" means a formal program of advance funding and
33 management of entity financial exposure to a risk of loss that is not
34 transferred through the purchase of an insurance policy or contract.

35 (4) "Health and welfare benefits" means a plan or program
36 established by a local government entity or entities for the purpose of
37 providing its employees and their dependents, and in the case of school

1 districts, its district employees, students, directors, or any of their
2 dependents, with health care, accident, disability, death, and salary
3 protection benefits.

4 (5) "Property and liability risks" includes the risk of property
5 damage or loss sustained by a local government entity and the risk of
6 claims arising from the tortious or negligent conduct or any error or
7 omission of the local government entity, its officers, employees,
8 agents, or volunteers as a result of which a claim may be made against
9 the local government entity.

10 (6) "State risk manager" means the state risk manager of the
11 division of risk management within the department of general
12 administration.

13 **Sec. 61.** RCW 52.08.011 and 1984 c 230 s 54 are each amended to
14 read as follows:

15 Territory within a fire protection district may be withdrawn from
16 the district in the same manner provided by law for withdrawal of
17 territory from water-sewer districts, as provided by chapter 57.28 RCW.

18 **Sec. 62.** RCW 53.48.001 and 1989 c 84 s 46 are each amended to read
19 as follows:

20 The dissolution of a metropolitan park district, fire protection
21 district, (~~sewer district,~~) water-sewer district, or flood control
22 zone district under chapter 53.48 RCW may be subject to potential
23 review by a boundary review board under chapter 36.93 RCW.

24 **Sec. 63.** RCW 53.48.010 and 1986 c 278 s 17 are each amended to
25 read as follows:

26 The following words and terms shall, whenever used in this chapter,
27 have the meaning set forth in this section:

28 (1) The term "district" as used herein, shall include all municipal
29 and quasi-municipal corporations having a governing body, other than
30 cities, towns, counties, and townships, such as port districts, school
31 districts, water-sewer districts, fire protection districts, and all
32 other special districts of similar organization, but shall not include
33 local improvement districts, diking, drainage and irrigation districts,
34 special districts as defined in RCW 85.38.010, nor public utility
35 districts.

1 (2) The words "board of commissioners," as used herein, shall mean
2 the governing authority of any district as defined in subdivision (1)
3 of this section.

4 **Sec. 64.** RCW 54.04.030 and 1931 c 1 s 12 are each amended to read
5 as follows:

6 ((~~This act~~)) Chapter 1, Laws of 1931, shall not be deemed or
7 construed to repeal or affect any existing act, or any part thereof,
8 relating to the construction, operation and maintenance of public
9 utilities by irrigation or water-sewer districts or other municipal
10 corporations, but shall be supplemental thereto and concurrent
11 therewith. No public utility district created hereunder shall include
12 therein any municipal corporation, or any part thereof, where such
13 municipal corporation already owns or operates all the utilities herein
14 authorized: PROVIDED, that in case it does not own or operate all such
15 utilities it may be included within such public utility district for
16 the purpose of establishing or operating therein such utilities as it
17 does not own or operate: PROVIDED, FURTHER, That no property situated
18 within any irrigation or water-sewer districts or other municipal
19 corporations shall ever be taxed or assessed to pay for any utility, or
20 part thereof, of like character to any utility, owned or operated by
21 such irrigation or water districts or other municipal corporations.

22 **Sec. 65.** RCW 70.44.400 and 1984 c 100 s 1 are each amended to read
23 as follows:

24 Territory within a public hospital district may be withdrawn
25 therefrom in the same manner provided by law for withdrawal of
26 territory from water-sewer districts, as provided by chapter 57.28 RCW.
27 For purposes of conforming with such procedure, the public hospital
28 district shall be deemed to be the water-sewer district and the public
29 hospital board of commissioners shall be deemed to be the water-sewer
30 district board of commissioners.

31 **Sec. 66.** RCW 70.95B.020 and 1995 c 269 s 2901 are each amended to
32 read as follows:

33 As used in this chapter unless context requires another meaning:

34 (1) "Director" means the director of the department of ecology.

35 (2) "Department" means the department of ecology.

1 (3) "Certificate" means a certificate of competency issued by the
2 director stating that the operator has met the requirements for the
3 specified operator classification of the certification program.

4 (4) "Wastewater treatment plant" means a facility used to treat any
5 liquid or waterborne waste of domestic origin or a combination of
6 domestic, commercial or industrial origin, and which by its design
7 requires the presence of an operator for its operation. It shall not
8 include any facility used exclusively by a single family residence,
9 septic tanks with subsoil absorption, industrial wastewater treatment
10 plants, or wastewater collection systems.

11 (5) "Operator in responsible charge" means an individual who is
12 designated by the owner as the person on-site in responsible charge of
13 the routine operation of a wastewater treatment plant.

14 (6) "Nationally recognized association of certification
15 authorities" shall mean that organization which serves as an
16 information center for certification activities, recommends minimum
17 standards and guidelines for classification of potable water treatment
18 plants, water distribution systems and wastewater facilities and
19 certification of operators, facilitates reciprocity between state
20 programs and assists authorities in establishing new certification
21 programs and updating existing ones.

22 (7) "Wastewater collection system" means any system of lines,
23 pipes, manholes, pumps, liftstations, or other facilities used for the
24 purpose of collecting and transporting wastewater.

25 (8) "Operating experience" means routine performance of duties, on-
26 site in a wastewater treatment plant, that affects plant performance or
27 effluent quality.

28 (9) "Owner" means in the case of a town or city, the city or town
29 acting through its chief executive officer or the lessee if operated
30 pursuant to a lease or contract; in the case of a county, the chairman
31 of the county legislative authority or the chairman's designee; in the
32 case of a water-sewer district, board of public utilities, association,
33 municipality or other public body, the president or chairman of the
34 body or the president's or chairman's designee; in the case of a
35 privately owned wastewater treatment plant, the legal owner.

36 (10) "Wastewater certification program coordinator" means an
37 employee of the department who administers the wastewater treatment
38 plant operators' certification program.

1 **Sec. 67.** RCW 70.119.020 and 1995 c 269 s 2904 are each amended to
2 read as follows:

3 As used in this chapter unless context requires another meaning:

4 (1) "Certificate" means a certificate of competency issued by the
5 secretary stating that the operator has met the requirements for the
6 specified operator classification of the certification program.

7 (2) "Certified operator" means an individual holding a valid
8 certificate and employed or appointed by any county, water-sewer
9 district, municipality, public or private corporation, company,
10 institution, person, or the state of Washington and who is designated
11 by the employing or appointing officials as the person responsible for
12 active daily technical operation.

13 (3) "Department" means the department of health.

14 (4) "Distribution system" means that portion of a public water
15 system which stores, transmits, pumps and distributes water to
16 consumers.

17 (5) "Ground water under the direct influence of surface water"
18 means any water beneath the surface of the ground with:

19 (a) Significant occurrence of insects or other macroorganisms,
20 algae, or large diameter pathogens such as giardia lamblia; or

21 (b) Significant and relatively rapid shifts in water
22 characteristics such as turbidity, temperature, conductivity, or pH
23 which closely correlate to climatological or surface water conditions.

24 (6) "Group A water system" means a system with fifteen or more
25 service connections, regardless of the number of people; or a system
26 serving an average of twenty-five or more people per day for sixty or
27 more days within a calendar year, regardless of the number of service
28 connections. Group A water system does not include a system serving
29 fewer than fifteen single-family residences, regardless of the number
30 of people.

31 (7) "Nationally recognized association of certification
32 authorities" shall mean an organization which serves as an information
33 center for certification activities, recommends minimum standards and
34 guidelines for classification of potable water treatment plants, water
35 distribution systems and waste water facilities and certification of
36 operators, facilitates reciprocity between state programs and assists
37 authorities in establishing new certification programs and updating
38 existing ones.

1 (8) "Public water system" means any system, excluding a system
2 serving only one single-family residence and a system with four or
3 fewer connections all of which serve residences on the same farm,
4 providing piped water for human consumption, including any collection,
5 treatment, storage, or distribution facilities under control of the
6 purveyor and used primarily in connection with the system; and
7 collection or pretreatment storage facilities not under control of the
8 purveyor but primarily used in connection with the system.

9 (9) "Purification plant" means that portion of a public water
10 system which treats or improves the physical, chemical or
11 bacteriological quality of the system's water to bring the water into
12 compliance with state board of health standards.

13 (10) "Secretary" means the secretary of the department of health.

14 (11) "Service" means a connection to a public water system designed
15 to serve a single-family residence, dwelling unit, or equivalent use.
16 If the facility has group home or barracks-type accommodations, three
17 persons will be considered equivalent to one service.

18 (12) "Surface water" means all water open to the atmosphere and
19 subject to surface runoff.

20 **Sec. 68.** RCW 79.44.003 and 1989 c 243 s 13 are each amended to
21 read as follows:

22 As used in this chapter "assessing district" means:

23 (1) Incorporated cities and towns;

24 (2) Diking districts;

25 (3) Drainage districts;

26 (4) Port districts;

27 (5) Irrigation districts;

28 (6) Water-sewer districts;

29 (~~(7) ((Sewer districts;~~

30 ~~(8))~~) Counties; and

31 (~~((9))~~) (8) Any municipal corporation or public agency having power
32 to levy local improvement or other assessments, rates, or charges which
33 by statute are expressly made applicable to lands of the state.

34 **Sec. 69.** RCW 84.04.120 and 1961 c 15 s 84.04.120 are each amended
35 to read as follows:

36 "Taxing district" shall be held and construed to mean and include
37 the state and any county, city, town, (~~((township,~~) port district,

1 school district, road district, metropolitan park district, water-sewer
2 district or other municipal corporation, now or hereafter existing,
3 having the power or authorized by law to impose burdens upon property
4 within the district in proportion to the value thereof, for the purpose
5 of obtaining revenue for public purposes, as distinguished from
6 municipal corporations authorized to impose burdens, or for which
7 burdens may be imposed, for such purposes, upon property in proportion
8 to the benefits accruing thereto.

9 **Sec. 70.** RCW 84.33.100 and 1992 c 52 s 6 are each amended to read
10 as follows:

11 As used in RCW 84.33.110 through 84.33.140 and 84.33.210 through
12 84.33.270:

13 (1) "Forest land" is synonymous with timberland and means all land
14 in any contiguous ownership of twenty or more acres which is primarily
15 devoted to and used for growing and harvesting timber and means the
16 land only.

17 (2) "Owner" means the party or parties having the fee interest in
18 land, except where land is subject to a real estate contract "owner"
19 means the contract vendee.

20 (3) "Local government" shall mean any city, town, county, (~~sewer~~
21 ~~district,~~) water-sewer district, public utility district, port
22 district, irrigation district, flood control district, or any other
23 municipal corporation, quasi-municipal corporation, or other political
24 subdivision authorized to levy special benefit assessments for sanitary
25 or storm sewerage systems, domestic water supply or distribution
26 systems, or road construction or improvement purposes.

27 (4) "Local improvement district" shall mean any local improvement
28 district, utility local improvement district, local utility district,
29 road improvement district, or any similar unit created by a local
30 government for the purpose of levying special benefit assessments
31 against property specially benefited by improvements relating to such
32 districts.

33 (5) The term "average rate of inflation" shall mean the annual rate
34 of inflation as determined by the department of revenue averaged over
35 the period of time as provided in RCW 84.33.220 (1) and (2). Such
36 determination shall be published not later than January 1 of each year
37 for use in that assessment year.

1 (6) "Special benefit assessments" shall mean special assessments
2 levied or capable of being levied in any local improvement district or
3 otherwise levied or capable of being levied by a local government to
4 pay for all or part of the costs of a local improvement and which may
5 be levied only for the special benefits to be realized by property by
6 reason of that local improvement.

7 **Sec. 71.** RCW 84.34.310 and 1992 c 52 s 15 are each amended to read
8 as follows:

9 As used in RCW 84.34.300 through 84.34.380, unless a different
10 meaning is required, the words defined in this section shall have the
11 meanings indicated.

12 (1) "Farm and agricultural land" shall mean the same as defined in
13 RCW 84.34.020(2).

14 (2) "Timber land" shall mean the same as defined in RCW
15 84.34.020(3).

16 (3) "Local government" shall mean any city, town, county, (~~sewer~~
17 ~~district,~~) water-sewer district, public utility district, port
18 district, irrigation district, flood control district, or any other
19 municipal corporation, quasi-municipal corporation, or other political
20 subdivision authorized to levy special benefit assessments for sanitary
21 and/or storm sewerage systems, domestic water supply and/or
22 distribution systems, or road construction or improvement purposes.

23 (4) "Local improvement district" shall mean any local improvement
24 district, utility local improvement district, local utility district,
25 road improvement district, or any similar unit created by a local
26 government for the purpose of levying special benefit assessments
27 against property specially benefited by improvements relating to such
28 districts.

29 (5) "Owner" shall mean the same as defined in RCW 84.34.020(5) or
30 the applicable statutes relating to special benefit assessments.

31 (6) The term "average rate of inflation" shall mean the annual rate
32 of inflation as determined by the department of revenue averaged over
33 the period of time as provided in RCW 84.34.330 (1) and (2). Such
34 determination shall be published not later than January 1 of each year
35 for use in that assessment year.

36 (7) "Special benefit assessments" shall mean special assessments
37 levied or capable of being levied in any local improvement district or
38 otherwise levied or capable of being levied by a local government to

1 pay for all or part of the costs of a local improvement and which may
2 be levied only for the special benefits to be realized by property by
3 reason of that local improvement.

4 **Sec. 72.** RCW 84.64.080 and 1991 c 245 s 27 are each amended to
5 read as follows:

6 The court shall examine each application for judgment foreclosing
7 tax lien, and if defense (specifying in writing the particular cause of
8 objection) be offered by any person interested in any of the lands or
9 lots to the entry of judgment against the same, the court shall hear
10 and determine the matter in a summary manner, without other pleadings,
11 and shall pronounce judgment as the right of the case may be; or the
12 court may, in its discretion, continue such individual cases, wherein
13 defense is offered, to such time as may be necessary, in order to
14 secure substantial justice to the contestants therein; but in all other
15 cases the court shall proceed to determine the matter in a summary
16 manner as above specified. In all judicial proceedings of any kind for
17 the collection of taxes, and interest and costs thereon, all amendments
18 which by law can be made in any personal action pending in such court
19 shall be allowed, and no assessments of property or charge for any of
20 the taxes shall be considered illegal on account of any irregularity in
21 the tax list or assessment rolls or on account of the assessment rolls
22 or tax list not having been made, completed or returned within the time
23 required by law, or on account of the property having been charged or
24 listed in the assessment or tax lists without name, or in any other
25 name than that of the owner, and no error or informality in the
26 proceedings of any of the officers connected with the assessment,
27 levying or collection of the taxes, shall vitiate or in any manner
28 affect the tax or the assessment thereof, and any irregularities or
29 informality in the assessment rolls or tax lists or in any of the
30 proceedings connected with the assessment or levy of such taxes or any
31 omission or defective act of any officer or officers connected with the
32 assessment or levying of such taxes, may be, in the discretion of the
33 court, corrected, supplied and made to conform to the law by the court.
34 The court shall give judgment for such taxes, interest and costs as
35 shall appear to be due upon the several lots or tracts described in the
36 notice of application for judgment or complaint, and such judgment
37 shall be a several judgment against each tract or lot or part of a
38 tract or lot for each kind of tax included therein, including all

1 interest and costs, and the court shall order and direct the clerk to
2 make and enter an order for the sale of such real property against
3 which judgment is made, or vacate and set aside the certificate of
4 delinquency or make such other order or judgment as in the law or
5 equity may be just. The order shall be signed by the judge of the
6 superior court, shall be delivered to the county treasurer, and shall
7 be full and sufficient authority for him or her to proceed to sell the
8 property for the sum as set forth in the order and to take such further
9 steps in the matter as are provided by law. The county treasurer shall
10 immediately after receiving the order and judgment of the court proceed
11 to sell the property as provided in this chapter to the highest and
12 best bidder for cash. The acceptable minimum bid shall be the total
13 amount of taxes, interest, penalties, and costs. All sales shall be
14 made at a location in the county on a date and time (except Saturdays,
15 Sundays, or legal holidays) as the county treasurer may direct, and
16 shall continue from day to day (Saturdays, Sundays, and legal holidays
17 excepted) during the same hours until all lots or tracts are sold,
18 after first giving notice of the time, and place where such sale is to
19 take place for ten days successively by posting notice thereof in three
20 public places in the county, one of which shall be in the office of the
21 treasurer. The notice shall be substantially in the following form:

22 TAX JUDGMENT SALE

23 Public notice is hereby given that pursuant to real property tax
24 judgment of the superior court of the county of in the
25 state of Washington, and an order of sale duly issued by the court,
26 entered the day of,, in proceedings for
27 foreclosure of tax liens upon real property, as per provisions of law,
28 I shall on the day of,, at o'clock
29 a.m., at in the city of, and county of
30, state of Washington, sell the real property to the highest
31 and best bidder for cash, to satisfy the full amount of taxes, interest
32 and costs adjudged to be due.

33 In witness whereof, I have hereunto affixed my hand and seal this
34 day of,

35
36 Treasurer of
37 county.

1 No county officer or employee shall directly or indirectly be a
2 purchaser of such property at such sale.

3 If any buildings or improvements are upon an area encompassing more
4 than one tract or lot, the same must be advertised and sold as a single
5 unit.

6 If the highest amount bid for any such separate unit tract or lot
7 is in excess of the minimum bid due upon the whole property included in
8 the certificate of delinquency, the excess shall be refunded following
9 payment of all water ((and))_ sewer district liens, on application
10 therefor, to the record owner of the property. The record owner of the
11 property is the person who held title on the date of issuance of the
12 certificate of delinquency. In the event no claim for the excess is
13 received by the county treasurer within three years after the date of
14 the sale he or she shall at expiration of the three year period deposit
15 such excess in the current expense fund of the county. The county
16 treasurer shall execute to the purchaser of any piece or parcel of land
17 a tax deed. The deed so made by the county treasurer, under the
18 official seal of his or her office, shall be recorded in the same
19 manner as other conveyances of real property, and shall vest in the
20 grantee, his or her heirs and assigns the title to the property therein
21 described, without further acknowledgment or evidence of such
22 conveyance, and shall be substantially in the following form:

23 State of Washington |
24 | ss.
25 County of |

26 This indenture, made this day of,,
27 between, as treasurer of county, state of
28 Washington, party of the first part, and, party of the
29 second part:

30 Witnesseth, that, whereas, at a public sale of real property held
31 on the day of,, pursuant to a real property
32 tax judgment entered in the superior court in the county of
33 on the day of,, in proceedings to foreclose
34 tax liens upon real property and an order of sale duly issued by the
35 court, duly purchased in compliance with the laws of the
36 state of Washington, the following described real property, to wit:
37 (Here place description of real property conveyed) and that the
38 has complied with the laws of the state of Washington

1 necessary to entitle (him, or her or them) to a deed for the real
2 property.

3 Now, therefore, know ye, that, I, county treasurer of
4 the county of, state of Washington, in consideration of the
5 premises and by virtue of the statutes of the state of Washington, in
6 such cases provided, do hereby grant and convey unto, his
7 or her heirs and assigns, forever, the real property hereinbefore
8 described.

9 Given under my hand and seal of office this day of
10, A.D.

11
12 County Treasurer.

13 **Sec. 73.** RCW 84.69.010 and 1961 c 15 s 84.69.010 are each amended
14 to read as follows:

15 As used in this chapter, unless the context indicates otherwise:

16 (1) "Taxing district" means any county, city, town, (~~township,~~)
17 port district, school district, road district, metropolitan park
18 district, water-sewer district, or other municipal corporation now or
19 hereafter authorized by law to impose burdens upon property within the
20 district in proportion to the value thereof, for the purpose of
21 obtaining revenue for public purposes, as distinguished from municipal
22 corporations authorized to impose burdens, or for which burdens may be
23 imposed, for such purposes, upon property in proportion to the benefits
24 accruing thereto.

25 (2) "Tax" includes penalties and interest.

26 **Sec. 74.** RCW 87.03.015 and 1979 ex.s. c 185 s 2 are each amended
27 to read as follows:

28 Any irrigation district, operating and maintaining an irrigation
29 system, in addition to other powers conferred by law, shall have
30 authority:

31 (1) To purchase and sell electric power to the inhabitants of the
32 irrigation district for the purposes of irrigation and domestic use, to
33 acquire, construct, and lease dams, canals, plants, transmission lines,
34 and other power equipment and the necessary property and rights
35 therefor and to operate, improve, repair, and maintain the same, for
36 the generation and transmission of electrical energy for use in the
37 operation of pumping plants and irrigation systems of the district and

1 for sale to the inhabitants of the irrigation district for the purposes
2 of irrigation and domestic use; and, as a further and separate grant of
3 authority and in furtherance of a state purpose and policy of
4 developing hydroelectric capability in connection with irrigation
5 facilities, to construct, finance, acquire, own, operate, and maintain,
6 alone or jointly with other irrigation districts, boards of control,
7 other municipal or quasi_municipal corporations or cooperatives
8 authorized to engage in the business of distributing electricity, or
9 electrical companies subject to the jurisdiction of the utilities and
10 transportation commission, hydroelectric facilities including but not
11 limited to dams, canals, plants, transmission lines, other power
12 equipment, and the necessary property and rights therefor, located
13 within or outside the district, for the purpose of utilizing for the
14 generation of electricity, water power made available by and as a part
15 of the irrigation water storage, conveyance, and distribution
16 facilities, waste ways, and drainage water facilities which serve
17 irrigation districts, and to sell any and all the electric energy
18 generated at any such hydroelectric facilities or the irrigation
19 district's share of such energy, to municipal or quasi_municipal
20 corporations and cooperatives authorized to engage in the business of
21 distributing electricity, and electrical companies subject to the
22 jurisdiction of the utilities and transportation commission, or to
23 other irrigation districts, and on such terms and conditions as the
24 board of directors shall determine, and to enter into contracts with
25 other irrigation districts, boards of control, other municipal or
26 quasi_municipal corporations and cooperatives authorized to engage in
27 the business of distributing electricity, and electrical companies
28 subject to the jurisdiction of the utilities and transportation
29 commission: PROVIDED, That no contract entered into by the board of
30 directors of any irrigation district for the sale of electrical energy
31 from such hydroelectric facility for a period longer than forty years
32 from the date of commercial operation of such hydroelectric facility
33 shall be binding on the district until ratified by a majority vote of
34 the electors of the district at an election therein, called, held and
35 canvassed for that purpose in the same manner as that provided by law
36 for district bond elections.

37 (2) To construct, repair, purchase, maintain or lease a system for
38 the sale or lease of water to the owners of irrigated lands within the
39 district for domestic purposes.

1 (3) To construct, repair, purchase, lease, acquire, operate and
2 maintain a system of drains, sanitary sewers, and sewage disposal or
3 treatment plants as herein provided.

4 (4) To assume, as principal or guarantor, any indebtedness to the
5 United States under the federal reclamation laws, on account of
6 district lands.

7 (5) To maintain, repair, construct and reconstruct ditches,
8 laterals, pipe lines and other water conduits used or to be used in
9 carrying water for irrigation of lands located within the boundaries of
10 a city or town or for the domestic use of the residents of a city or
11 town where the owners of land within such city or town shall use such
12 works to carry water to the boundaries of such city or town for
13 irrigation, domestic or other purposes within such city or town, and to
14 charge to such city or town the pro rata proportion of the cost of such
15 maintenance, repair, construction and reconstruction work in proportion
16 to the benefits received by the lands served and located within the
17 boundaries of such city or town, and if such cost is not paid, then and
18 in that event said irrigation district shall have the right to prevent
19 further water deliveries through such works to the lands located within
20 the boundaries of such city or town until such charges have been paid.

21 (6) To acquire, install and maintain as a part of the irrigation
22 district's water system the necessary water mains and fire hydrants to
23 make water available for fire fighting purposes; and in addition any
24 such irrigation district shall have the authority to repair, operate
25 and maintain such hydrants and mains.

26 (7) To enter into contracts with other irrigation districts, boards
27 of control, municipal or quasi-municipal corporations and cooperatives
28 authorized to engage in the business of distributing electricity, and
29 electrical companies subject to the jurisdiction of the utilities and
30 transportation commission to jointly acquire, construct, own, operate,
31 and maintain irrigation water, domestic water, drainage and sewerage
32 works, and electrical power works to the same extent as authorized by
33 subsection (1) of this section, or portions of such works.

34 (8) To acquire from a water-sewer district wholly within the
35 irrigation district's boundaries, by a conveyance without cost, the
36 water-sewer district's water system and to operate the same to provide
37 water for the domestic use of the irrigation district residents. As a
38 part of its acceptance of the conveyance the irrigation district must
39 agree to relieve the water-sewer district of responsibility for

1 maintenance and repair of the system. Any such water-sewer district is
2 authorized to make such a conveyance if all indebtedness of the water-
3 sewer district, except local improvement district bonds, has been paid
4 and the conveyance has been approved by a majority of the water-sewer
5 district's ((electors)) voters voting at a general or special election.

6 This section shall not be construed as in any manner abridging any
7 other powers of an irrigation district conferred by law.

8 **Sec. 75.** RCW 87.03.720 and 1977 ex.s. c 208 s 1 are each amended
9 to read as follows:

10 The board of directors of an irrigation district shall, after being
11 notified by the legislative authority of the county or counties within
12 which the irrigation district lies of the filing of the petition
13 therefor, have the power to assent to the proposed merger with the
14 irrigation district of that portion of a drainage improvement district,
15 joint drainage improvement district, consolidated drainage improvement
16 district, or water-sewer district within its boundaries at a hearing
17 duly called by the board to consider the proposed merger if sufficient
18 objections thereto have not been presented, as hereinafter provided.

19 **Sec. 76.** RCW 87.03.725 and 1977 ex.s. c 208 s 2 are each amended
20 to read as follows:

21 The secretary of the board of directors shall cause a notice of the
22 proposed merger to be posted and published in the same manner and for
23 the same time as notice of a special election for the issue of bonds.
24 The notice shall state that a petition has been filed with the
25 legislative authority of the county or counties within which the
26 irrigation districts lies by the board of supervisors of the drainage
27 improvement district, joint drainage improvement district, or
28 consolidated drainage improvement district or by the board of
29 commissioners of a water-sewer district requesting that the drainage
30 improvement district, joint drainage improvement district, consolidated
31 drainage improvement district, or water-sewer district be merged with
32 the irrigation district or irrigation districts, the names of the
33 petitioners and the prayer thereof, and it shall notify all persons
34 interested in the irrigation district to appear at the office of the
35 board at the time named in the notice, and show cause in writing why
36 the proposed merger should not take place. The time to show cause
37 shall be the regular meeting of the board of directors of the

1 irrigation district next after the expiration of the time for the
2 publication of the notice.

3 NEW SECTION. **Sec. 77.** Part headings as used in this act do not
4 constitute any part of the law.

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