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**ENGROSSED SUBSTITUTE SENATE BILL 5110**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** Senate Committee on Government Operations (originally sponsored by Senators Haugen, Drew and Winsley)

Read first time 02/11/93.

1       AN ACT Relating to water and sewer districts; amending RCW  
2 56.08.070 and 57.08.050; adding a new chapter to Title 56 RCW; and  
3 adding a new chapter to Title 57 RCW.

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

5       NEW SECTION.   **Sec. 1.**       A sewer district may include along with,  
6 or as part of its regular customer billings, a request for voluntary  
7 contributions to assist qualified low-income residential customers of  
8 the district in paying their sewer district bills. All funds received  
9 by the district in response to such requests shall be transmitted to  
10 the grantee of the department of community development which  
11 administers federally funded energy assistance programs for the state  
12 in the district's service area or to a charitable organization within  
13 the district's service area. All such funds shall be used solely to  
14 supplement assistance to low-income residential customers of the  
15 district in paying their sewer district bills. The grantee or  
16 charitable organization shall be responsible to determine which of the  
17 district's customers are qualified for low-income assistance and the  
18 amount of assistance to be provided to those who are qualified.

1        NEW SECTION.    **Sec. 2.**        All assistance provided under this  
2 chapter shall be disbursed by the grantee or charitable organization.  
3 Where possible the sewer district will be paid on behalf of the  
4 customer by the grantee or the charitable organization. When direct  
5 vendor payment is not feasible, a check will be issued jointly payable  
6 to the customer and the sewer district. The availability of funds for  
7 assistance to a district's low-income customers as a result of  
8 voluntary contributions shall not reduce the amount of assistance for  
9 which the district's customers are eligible under the federally funded  
10 energy assistance programs administered by the grantee of the  
11 department of community development within the district's service area.  
12 The grantee or charitable organization shall provide the district with  
13 a quarterly report on January 15th, April 15th, July 15th, and October  
14 15th which includes information concerning the total amount of funds  
15 received from the district, the names of all recipients of assistance  
16 from these funds, the amount received by each recipient, and the amount  
17 of funds received from the district currently on hand and available for  
18 future low-income assistance.

19        NEW SECTION.    **Sec. 3.**        Contributions received under a program  
20 implemented by a sewer district in compliance with this chapter shall  
21 not be considered a commingling of funds.

22        **Sec. 4.**    RCW 56.08.070 and 1989 c 105 s 1 are each amended to read  
23 as follows:

24        (1) All materials purchased and work ordered, the estimated cost of  
25 which is in excess of five thousand dollars shall be let by contract.  
26 All contract projects, the estimated cost of which is less than fifty  
27 thousand dollars, may be awarded to a contractor on the small works  
28 roster. The small works roster shall be comprised of all responsible  
29 contractors who have requested to be on the list. The board of sewer  
30 commissioners may set up uniform procedures to prequalify contractors  
31 for inclusion on the small works roster. The board of sewer  
32 commissioners shall authorize by resolution a procedure for securing  
33 telephone and/or written quotations from the contractors on the small  
34 works roster to assure establishment of a competitive price and for  
35 awarding contracts to the lowest responsible bidder. Such procedure  
36 shall require that a good faith effort be made to request quotations  
37 from all contractors on the small works roster. Immediately after an

1 award is made, the bid quotations obtained shall be recorded, open to  
2 public inspection, and available by telephone inquiry. The small works  
3 roster shall be revised once a year. All contract projects equal to or  
4 in excess of fifty thousand dollars shall be let by competitive  
5 bidding. Before awarding any competitive contract the board of sewer  
6 commissioners shall cause a notice to be published in a newspaper in  
7 general circulation where the district is located at least once, ten  
8 days before the letting of such contract, inviting sealed proposals for  
9 such work, plans and specifications which must at the time of  
10 publication of such notice be on file in the office of the board of  
11 sewer commissioners subject to public inspection. Such notice shall  
12 state generally the work to be done and shall call for proposals for  
13 doing the same to be sealed and filed with the board of sewer  
14 commissioners on or before the day and hour named therein.

15 (2) Each bid shall be accompanied by a bid proposal deposit in the  
16 form of a certified check, cashier's check, postal money order, or  
17 surety bond payable to the order of the county treasurer for a sum not  
18 less than five percent of the amount of the bid and no bid shall be  
19 considered unless accompanied by such bid proposal deposit. At the  
20 time and place named such bids shall be publicly opened and read and  
21 the board of sewer commissioners shall proceed to canvass the bids and  
22 may let such contract to the lowest responsible bidder upon plans and  
23 specifications: PROVIDED, That no contract shall be let in excess of  
24 the cost of ~~((said))~~ the materials or work(~~(, or if in the opinion~~  
25 ~~of)).~~ The board of sewer commissioners ~~((all bids are unsatisfactory~~  
26 ~~they))~~ may reject all ~~((of them))~~ bids for good cause and readvertise  
27 and in such case all checks, cash or bid bonds shall be returned to the  
28 bidders. If such contract be let, then all checks, cash or bid bonds  
29 shall be returned to the bidders, except that of the successful bidder,  
30 which shall be retained until a contract shall be entered into for the  
31 purchase of such materials or doing such work, and a bond to perform  
32 such work furnished with sureties satisfactory to the board of sewer  
33 commissioners in the full amount of the contract price between the  
34 bidder and the commission in accordance with bid. If ~~((said))~~ the  
35 bidder fails to enter into ~~((said))~~ the contract in accordance with  
36 ~~((said))~~ the bid and furnish such bond within ten days from the date at  
37 which he or she is notified that he or she is the successful bidder,  
38 the ~~((said))~~ check, cash or bid bonds and the amount thereof shall be  
39 forfeited to the sewer district.

1 (3) In the event of an emergency when the public interest or  
2 property of the sewer district would suffer material injury or damage  
3 by delay, upon resolution of the board of sewer commissioners, or  
4 proclamation of an official designated by the board to act for the  
5 board during such emergencies, declaring the existence of such  
6 emergency and reciting the facts constituting the same, the board, or  
7 the official acting for the board, may waive the requirements of this  
8 chapter with reference to any purchase or contract. In addition, these  
9 requirements may be waived for purchases which are clearly and  
10 legitimately limited to a single source of supply and purchases  
11 involving special facilities, services, or market conditions, in which  
12 instances the purchase price may be best established by direct  
13 negotiation.

14 NEW SECTION. **Sec. 5.** A water district may include along with,  
15 or as part of its regular customer billings, a request for voluntary  
16 contributions to assist qualified low-income residential customers of  
17 the district in paying their water district bills. All funds received  
18 by the district in response to such requests shall be transmitted to  
19 the grantee of the department of community development which  
20 administers federally funded energy assistance programs for the state  
21 in the district's service area or to a charitable organization within  
22 the district's service area. All such funds shall be used solely to  
23 supplement assistance to low-income residential customers of the  
24 district in paying their water district bills. The grantee or  
25 charitable organization shall be responsible to determine which of the  
26 district's customers are qualified for low-income assistance and the  
27 amount of assistance to be provided to those who are qualified.

28 NEW SECTION. **Sec. 6.** All assistance provided under this  
29 chapter shall be disbursed by the grantee or charitable organization.  
30 Where possible the water district will be paid on behalf of the  
31 customer by the grantee or the charitable organization. When direct  
32 vendor payment is not feasible, a check will be issued jointly payable  
33 to the customer and the water district. The availability of funds for  
34 assistance to a district's low-income customers as a result of  
35 voluntary contributions shall not reduce the amount of assistance for  
36 which the district's customers are eligible under the federally funded  
37 energy assistance programs administered by the grantee of the

1 department of community development within the district's service area.  
2 The grantee or charitable organization shall provide the district with  
3 a quarterly report on January 15th, April 15th, July 15th, and October  
4 15th which includes information concerning the total amount of funds  
5 received from the district, the names of all recipients of assistance  
6 from these funds, the amount received by each recipient, and the amount  
7 of funds received from the district currently on hand and available for  
8 future low-income assistance.

9 NEW SECTION. **Sec. 7.** Contributions received under a program  
10 implemented by a water district in compliance with this chapter shall  
11 not be considered a commingling of funds.

12 **Sec. 8.** RCW 57.08.050 and 1989 c 105 s 2 are each amended to read  
13 as follows:

14 (1) The board of water commissioners shall have authority to create  
15 and fill such positions and fix salaries and bonds thereof as it may by  
16 resolution provide.

17 (2) All materials purchased and work ordered, the estimated cost of  
18 which is in excess of five thousand dollars shall be let by contract.  
19 All contract projects, the estimated cost of which is less than fifty  
20 thousand dollars, may be awarded to a contractor on the small works  
21 roster. The small works roster shall be comprised of all responsible  
22 contractors who have requested to be on the list. The board of water  
23 commissioners may set up uniform procedures to prequalify contractors  
24 for inclusion on the small works roster. The board of water  
25 commissioners shall authorize by resolution a procedure for securing  
26 telephone and/or written quotations from the contractors on the small  
27 works roster to assure establishment of a competitive price and for  
28 awarding contracts to the lowest responsible bidder. Such procedure  
29 shall require that a good faith effort be made to request quotations  
30 from all contractors on the small works roster. Immediately after an  
31 award is made, the bid quotations obtained shall be recorded, open to  
32 public inspection, and available by telephone inquiry. The small works  
33 roster shall be revised once a year. All contract projects equal to or  
34 in excess of fifty thousand dollars shall be let by competitive  
35 bidding. Before awarding any such contract the board of water  
36 commissioners shall cause a notice to be published in a newspaper in  
37 general circulation where the district is located at least once ten

1 days before the letting of such contract, inviting sealed proposals for  
2 such work, plans and specifications which must at the time of  
3 publication of such notice be on file in the office of the board of  
4 water commissioners subject to public inspection. Such notice shall  
5 state generally the work to be done and shall call for proposals for  
6 doing the same to be sealed and filed with the board of water  
7 commissioners on or before the day and hour named therein.

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

1 take legal action to collect on any bid bond required herein, then the  
2 water district shall be entitled to collect from (~~said~~) the bidder  
3 any legal expenses, including reasonable attorneys' fees occasioned  
4 thereby.

5 (4) In the event of an emergency when the public interest or  
6 property of the water district would suffer material injury or damage  
7 by delay, upon resolution of the board of water commissioners, or  
8 proclamation of an official designated by the board to act for the  
9 board during such emergencies, declaring the existence of such  
10 emergency and reciting the facts constituting the same, the board, or  
11 official acting for the board, may waive the requirements of this  
12 chapter with reference to any purchase or contract. In addition, these  
13 requirements may be waived for purchases which are clearly and  
14 legitimately limited to a single source of supply and purchases  
15 involving special facilities, services, or market conditions, in which  
16 instances the purchase price may be best established by direct  
17 negotiation.

18 NEW SECTION. **Sec. 9.** (1) Sections 1 through 3 of this act shall  
19 constitute a new chapter in Title 56 RCW.

20 (2) Sections 5 through 7 of this act shall constitute a new chapter  
21 in Title 57 RCW.

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