

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2088

Chapter 394, Laws of 2003

58th Legislature
2003 Regular Session

STORM WATER RATES

EFFECTIVE DATE: 7/27/03

Passed by the House April 24, 2003
Yeas 97 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 10, 2003
Yeas 36 Nays 13

BRAD OWEN

President of the Senate

Approved May 20, 2003.

GARY LOCKE

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2088** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER

Chief Clerk

FILED

May 20, 2003 - 3:07 p.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2088

AS AMENDED BY THE SENATE

Passed Legislature - 2003 Regular Session

State of Washington 58th Legislature 2003 Regular Session

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Schoesler, Chandler and Linville)

READ FIRST TIME 03/05/03.

1 AN ACT Relating to storm water rates and charges; and amending RCW
2 35.67.020, 35.92.020, 36.89.080, 36.94.140, 57.08.005, 57.08.081,
3 84.33.210, and 86.15.160.

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

5 **Sec. 1.** RCW 35.67.020 and 1997 c 447 s 8 are each amended to read
6 as follows:

7 (1) Every city and town may construct, condemn and purchase,
8 acquire, add to, maintain, conduct, and operate systems of sewerage and
9 systems and plants for refuse collection and disposal together with
10 additions, extensions, and betterments thereto, within and without its
11 limits(~~(,with)~~). Every city and town has full jurisdiction and
12 authority to manage, regulate, and control them and, except as provided
13 in subsection (3) of this section, to fix, alter, regulate, and control
14 the rates and charges for their use.

15 (2) Subject to subsection (3) of this section, the rates charged
16 under this section must be uniform for the same class of customers or
17 service and facilities furnished. In classifying customers served or
18 service and facilities furnished by such system of sewerage, the city

1 or town legislative body may in its discretion consider any or all of
2 the following factors:

3 ~~((1))~~ (a) The difference in cost of service and facilities to the
4 various customers;

5 ~~((2))~~ (b) The location of the various customers within and
6 without the city or town;

7 ~~((3))~~ (c) The difference in cost of maintenance, operation,
8 repair, and replacement of the various parts of the system;

9 ~~((4))~~ (d) The different character of the service and facilities
10 furnished various customers;

11 ~~((5))~~ (e) The quantity and quality of the sewage delivered and
12 the time of its delivery;

13 ~~((6))~~ (f) The achievement of water conservation goals and the
14 discouragement of wasteful water use practices;

15 ~~((7))~~ (g) Capital contributions made to the system, including but
16 not limited to, assessments;

17 ~~((8))~~ (h) The nonprofit public benefit status, as defined in RCW
18 24.03.490, of the land user; and

19 ~~((9))~~ (i) Any other matters which present a reasonable difference
20 as a ground for distinction.

21 (3) The rate a city or town may charge under this section for storm
22 or surface water sewer systems or the portion of the rate allocable to
23 the storm or surface water sewer system of combined sanitary sewage and
24 storm or surface water sewer systems shall be reduced by a minimum of
25 ten percent for any new or remodeled commercial building that utilizes
26 a permissive rainwater harvesting system. Rainwater harvesting systems
27 shall be properly sized to utilize the available roof surface of the
28 building. The jurisdiction shall consider rate reductions in excess of
29 ten percent dependent upon the amount of rainwater harvested.

30 (4) Rates or charges for on-site inspection and maintenance
31 services may not be imposed under this chapter on the development,
32 construction, or reconstruction of property.

33 (5) A city or town may provide assistance to aid low-income persons
34 in connection with services provided under this chapter.

35 (6) Under this chapter, after July 1, 1998, any requirements for
36 pumping the septic tank of an on-site sewage system should be based,
37 among other things, on actual measurement of accumulation of sludge and

1 scum by a trained inspector, trained owner's agent, or trained owner.
2 Training must occur in a program approved by the state board of health
3 or by a local health officer.

4 (7) Before adopting on-site inspection and maintenance utility
5 services, or incorporating residences into an on-site inspection and
6 maintenance or sewer utility under this chapter, notification must be
7 provided, prior to the applicable public hearing, to all residences
8 within the proposed service area that have on-site systems permitted by
9 the local health officer. The notice must clearly state that the
10 residence is within the proposed service area and must provide
11 information on estimated rates or charges that may be imposed for the
12 service.

13 (8) A city or town shall not provide on-site sewage system
14 inspection, pumping services, or other maintenance or repair services
15 under this section using city or town employees unless the on-site
16 system is connected by a publicly owned collection system to the city
17 or town's sewerage system, and the on-site system represents the first
18 step in the sewage disposal process. Nothing in this section shall
19 affect the authority of state or local health officers to carry out
20 their responsibilities under any other applicable law.

21 **Sec. 2.** RCW 35.92.020 and 1997 c 447 s 9 are each amended to read
22 as follows:

23 (1) A city or town may construct, condemn and purchase, purchase,
24 acquire, add to, alter, maintain, and operate systems, plants, sites,
25 or other facilities of sewerage as defined in RCW 35.67.010, or solid
26 waste handling as defined by RCW 70.95.030(~~(, and)~~). A city or town
27 shall have full authority to manage, regulate, operate, control, and,
28 except as provided in subsection (3) of this section, to fix the price
29 of service and facilities of those systems, plants, sites, or other
30 facilities within and without the limits of the city or town.

31 (2) Subject to subsection (3) of this section, the rates charged
32 shall be uniform for the same class of customers or service and
33 facilities. In classifying customers served or service and facilities
34 furnished by a system or systems of sewerage, the legislative authority
35 of the city or town may in its discretion consider any or all of the
36 following factors:

1 ~~((1))~~ (a) The difference in cost of service and facilities to
2 customers;

3 ~~((2))~~ (b) The location of customers within and without the city
4 or town;

5 ~~((3))~~ (c) The difference in cost of maintenance, operation,
6 repair, and replacement of the parts of the system;

7 ~~((4))~~ (d) The different character of the service and facilities
8 furnished to customers;

9 ~~((5))~~ (e) The quantity and quality of the sewage delivered and
10 the time of its delivery;

11 ~~((6))~~ (f) Capital contributions made to the systems, plants,
12 sites, or other facilities, including but not limited to, assessments;

13 ~~((7))~~ (g) The nonprofit public benefit status, as defined in RCW
14 24.03.490, of the land user; and

15 ~~((8))~~ (h) Any other factors that present a reasonable difference
16 as a ground for distinction.

17 (3) The rate a city or town may charge under this section for storm
18 or surface water sewer systems or the portion of the rate allocable to
19 the storm or surface water sewer system of combined sanitary sewage and
20 storm or surface water sewer systems shall be reduced by a minimum of
21 ten percent for any new or remodeled commercial building that utilizes
22 a permissive rainwater harvesting system. Rainwater harvesting systems
23 shall be properly sized to utilize the available roof surface of the
24 building. The jurisdiction shall consider rate reductions in excess of
25 ten percent dependent upon the amount of rainwater harvested.

26 (4) Rates or charges for on-site inspection and maintenance
27 services may not be imposed under this chapter on the development,
28 construction, or reconstruction of property.

29 (5) A city or town may provide assistance to aid low-income persons
30 in connection with services provided under this chapter.

31 (6) Under this chapter, after July 1, 1998, any requirements for
32 pumping the septic tank of an on-site sewage system should be based,
33 among other things, on actual measurement of accumulation of sludge and
34 scum by a trained inspector, trained owner's agent, or trained owner.
35 Training must occur in a program approved by the state board of health
36 or by a local health officer.

37 (7) Before adopting on-site inspection and maintenance utility
38 services, or incorporating residences into an on-site inspection and

1 maintenance or sewer utility under this chapter, notification must be
2 provided, prior to the applicable public hearing, to all residences
3 within the proposed service area that have on-site systems permitted by
4 the local health officer. The notice must clearly state that the
5 residence is within the proposed service area and must provide
6 information on estimated rates or charges that may be imposed for the
7 service.

8 (8) A city or town shall not provide on-site sewage system
9 inspection, pumping services, or other maintenance or repair services
10 under this section using city or town employees unless the on-site
11 system is connected by a publicly owned collection system to the city
12 or town's sewerage system, and the on-site system represents the first
13 step in the sewage disposal process. Nothing in this section shall
14 affect the authority of state or local health officers to carry out
15 their responsibilities under any other applicable law.

16 **Sec. 3.** RCW 36.89.080 and 1998 c 74 s 1 are each amended to read
17 as follows:

18 (1) Subject to subsections (2) and (3) of this section, any county
19 legislative authority may provide by resolution for revenues by fixing
20 rates and charges for the furnishing of service to those served or
21 receiving benefits or to be served or to receive benefits from any
22 storm water control facility or contributing to an increase of surface
23 water runoff. In fixing rates and charges, the county legislative
24 authority may in its discretion consider:

25 ~~((1))~~ (a) Services furnished or to be furnished;

26 ~~((2))~~ (b) Benefits received or to be received;

27 ~~((3))~~ (c) The character and use of land or its water runoff
28 characteristics;

29 ~~((4))~~ (d) The nonprofit public benefit status, as defined in RCW
30 24.03.490, of the land user;

31 ~~((5))~~ (e) Income level of persons served or provided benefits
32 under this chapter, including senior citizens and disabled persons; or

33 ~~((6))~~ (f) Any other matters which present a reasonable difference
34 as a ground for distinction.

35 (2) The rate a county may charge under this section for storm water
36 control facilities shall be reduced by a minimum of ten percent for any
37 new or remodeled commercial building that utilizes a permissive

1 rainwater harvesting system. Rainwater harvesting systems shall be
2 properly sized to utilize the available roof surface of the building.
3 The jurisdiction shall consider rate reductions in excess of ten
4 percent dependent upon the amount of rainwater harvested.

5 (3) Rates and charges authorized under this section may not be
6 imposed on lands taxed as forest land under chapter 84.33 RCW or as
7 timber land under chapter 84.34 RCW.

8 (4) The service charges and rates collected shall be deposited in
9 a special fund or funds in the county treasury to be used only for the
10 purpose of paying all or any part of the cost and expense of
11 maintaining and operating storm water control facilities, all or any
12 part of the cost and expense of planning, designing, establishing,
13 acquiring, developing, constructing and improving any of such
14 facilities, or to pay or secure the payment of all or any portion of
15 any issue of general obligation or revenue bonds issued for such
16 purpose.

17 **Sec. 4.** RCW 36.94.140 and 1997 c 447 s 12 are each amended to read
18 as follows:

19 (1) Every county, in the operation of a system of sewerage and/or
20 water, shall have full jurisdiction and authority to manage, regulate,
21 and control it ((and)). Except as provided in subsection (3) of this
22 section, every county shall have full jurisdiction and authority to
23 fix, alter, regulate, and control the rates and charges for the service
24 and facilities to those to whom such service and facilities are
25 available, and to levy charges for connection to the system.

26 (2) The rates for availability of service and facilities, and
27 connection charges so charged must be uniform for the same class of
28 customers or service and facility. In classifying customers served,
29 service furnished or made available by such system of sewerage and/or
30 water, or the connection charges, the county legislative authority may
31 consider any or all of the following factors:

32 ((+1)) (a) The difference in cost of service to the various
33 customers within or without the area;

34 ((+2)) (b) The difference in cost of maintenance, operation,
35 repair and replacement of the various parts of the systems;

36 ((+3)) (c) The different character of the service and facilities
37 furnished various customers;

1 ~~((4))~~ (d) The quantity and quality of the sewage and/or water
2 delivered and the time of its delivery;

3 ~~((5))~~ (e) Capital contributions made to the system or systems,
4 including, but not limited to, assessments;

5 ~~((6))~~ (f) The cost of acquiring the system or portions of the
6 system in making system improvements necessary for the public health
7 and safety;

8 ~~((7))~~ (g) The nonprofit public benefit status, as defined in RCW
9 24.03.490, of the land user; and

10 ~~((8))~~ (h) Any other matters which present a reasonable difference
11 as a ground for distinction.

12 (3) The rate a county may charge under this section for storm or
13 surface water sewer systems or the portion of the rate allocable to the
14 storm or surface water sewer system of combined sanitary sewage and
15 storm or surface water sewer systems shall be reduced by a minimum of
16 ten percent for any new or remodeled commercial building that utilizes
17 a permissive rainwater harvesting system. Rainwater harvesting systems
18 shall be properly sized to utilize the available roof surface of the
19 building. The jurisdiction shall consider rate reductions in excess of
20 ten percent dependent upon the amount of rainwater harvested.

21 (4) A county may provide assistance to aid low-income persons in
22 connection with services provided under this chapter.

23 (5) The service charges and rates shall produce revenues sufficient
24 to take care of the costs of maintenance and operation, revenue bond
25 and warrant interest and principal amortization requirements, and all
26 other charges necessary for the efficient and proper operation of the
27 system.

28 **Sec. 5.** RCW 57.08.005 and 1999 c 153 s 2 are each amended to read
29 as follows:

30 A district shall have the following powers:

31 (1) To acquire by purchase or condemnation, or both, all lands,
32 property and property rights, and all water and water rights, both
33 within and without the district, necessary for its purposes. The right
34 of eminent domain shall be exercised in the same manner and by the same
35 procedure as provided for cities and towns, insofar as consistent with
36 this title, except that all assessment or reassessment rolls to be
37 prepared and filed by eminent domain commissioners or commissioners

1 appointed by the court shall be prepared and filed by the district, and
2 the duties devolving upon the city treasurer are imposed upon the
3 county treasurer;

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

7 (3) To construct, condemn and purchase, add to, maintain, and
8 supply waterworks to furnish the district and inhabitants thereof and
9 any other persons, both within and without the district, with an ample
10 supply of water for all uses and purposes public and private with full
11 authority to regulate and control the use, content, distribution, and
12 price thereof in such a manner as is not in conflict with general law
13 and may construct, acquire, or own buildings and other necessary
14 district facilities. Where a customer connected to the district's
15 system uses the water on an intermittent or transient basis, a district
16 may charge for providing water service to such a customer, regardless
17 of the amount of water, if any, used by the customer. District
18 waterworks may include facilities which result in combined water supply
19 and electric generation, if the electricity generated thereby is a
20 byproduct of the water supply system. That electricity may be used by
21 the district or sold to any entity authorized by law to use or
22 distribute electricity. Electricity is deemed a byproduct when the
23 electrical generation is subordinate to the primary purpose of water
24 supply. For such purposes, a district may take, condemn and purchase,
25 acquire, and retain water from any public or navigable lake, river or
26 watercourse, or any underflowing water, and by means of aqueducts or
27 pipeline conduct the same throughout the district and any city or town
28 therein and carry it along and upon public highways, roads, and
29 streets, within and without such district. For the purpose of
30 constructing or laying aqueducts or pipelines, dams, or waterworks or
31 other necessary structures in storing and retaining water or for any
32 other lawful purpose such district may occupy the beds and shores up to
33 the high water mark of any such lake, river, or other watercourse, and
34 may acquire by purchase or condemnation such property or property
35 rights or privileges as may be necessary to protect its water supply
36 from pollution. For the purposes of waterworks which include
37 facilities for the generation of electricity as a byproduct, nothing in
38 this section may be construed to authorize a district to condemn

1 electric generating, transmission, or distribution rights or facilities
2 of entities authorized by law to distribute electricity, or to acquire
3 such rights or facilities without the consent of the owner;

4 (4) To purchase and take water from any municipal corporation,
5 private person, or entity. A district contiguous to Canada may
6 contract with a Canadian corporation for the purchase of water and for
7 the construction, purchase, maintenance, and supply of waterworks to
8 furnish the district and inhabitants thereof and residents of Canada
9 with an ample supply of water under the terms approved by the board of
10 commissioners;

11 (5) To construct, condemn and purchase, add to, maintain, and
12 operate systems of sewers for the purpose of furnishing the district,
13 the inhabitants thereof, and persons outside the district with an
14 adequate system of sewers for all uses and purposes, public and
15 private, including but not limited to on-site sewage disposal
16 facilities, approved septic tanks or approved septic tank systems, on-
17 site sanitary sewerage systems, inspection services and maintenance
18 services for private and public on-site systems, point and nonpoint
19 water pollution monitoring programs that are directly related to the
20 sewerage facilities and programs operated by a district, other
21 facilities, programs, and systems for the collection, interception,
22 treatment, and disposal of wastewater, and for the control of pollution
23 from wastewater with full authority to regulate the use and operation
24 thereof and the service rates to be charged. Under this chapter, after
25 July 1, 1998, any requirements for pumping the septic tank of an on-
26 site sewage system should be based, among other things, on actual
27 measurement of accumulation of sludge and scum by a trained inspector,
28 trained owner's agent, or trained owner. Training must occur in a
29 program approved by the state board of health or by a local health
30 officer. Sewage facilities may include facilities which result in
31 combined sewage disposal or treatment and electric generation, except
32 that the electricity generated thereby is a byproduct of the system of
33 sewers. Such electricity may be used by the district or sold to any
34 entity authorized by law to distribute electricity. Electricity is
35 deemed a byproduct when the electrical generation is subordinate to the
36 primary purpose of sewage disposal or treatment. For such purposes a
37 district may conduct sewage throughout the district and throughout
38 other political subdivisions within the district, and construct and lay

1 sewer pipe along and upon public highways, roads, and streets, within
2 and without the district, and condemn and purchase or acquire land and
3 rights of way necessary for such sewer pipe. A district may erect
4 sewage treatment plants within or without the district, and may
5 acquire, by purchase or condemnation, properties or privileges
6 necessary to be had to protect any lakes, rivers, or watercourses and
7 also other areas of land from pollution from its sewers or its sewage
8 treatment plant. For the purposes of sewage facilities which include
9 facilities that result in combined sewage disposal or treatment and
10 electric generation where the electric generation is a byproduct,
11 nothing in this section may be construed to authorize a district to
12 condemn electric generating, transmission, or distribution rights or
13 facilities of entities authorized by law to distribute electricity, or
14 to acquire such rights or facilities without the consent of the owners;

15 (6)(a) To construct, condemn and purchase, add to, maintain, and
16 operate systems of drainage for the benefit and use of the district,
17 the inhabitants thereof, and persons outside the district with an
18 adequate system of drainage, including but not limited to facilities
19 and systems for the collection, interception, treatment, and disposal
20 of storm or surface waters, and for the protection, preservation, and
21 rehabilitation of surface and underground waters, and drainage
22 facilities for public highways, streets, and roads, with full authority
23 to regulate the use and operation thereof and, except as provided in
24 (b) of this subsection, the service rates to be charged.

25 (b) The rate a district may charge under this section for storm or
26 surface water sewer systems or the portion of the rate allocable to the
27 storm or surface water sewer system of combined sanitary sewage and
28 storm or surface water sewer systems shall be reduced by a minimum of
29 ten percent for any new or remodeled commercial building that utilizes
30 a permissive rainwater harvesting system. Rainwater harvesting systems
31 shall be properly sized to utilize the available roof surface of the
32 building. The jurisdiction shall consider rate reductions in excess of
33 ten percent dependent upon the amount of rainwater harvested.

34 (c) Drainage facilities may include natural systems. Drainage
35 facilities may include facilities which result in combined drainage
36 facilities and electric generation, except that the electricity
37 generated thereby is a byproduct of the drainage system. Such
38 electricity may be used by the district or sold to any entity

1 authorized by law to distribute electricity. Electricity is deemed a
2 byproduct when the electrical generation is subordinate to the primary
3 purpose of drainage collection, disposal, and treatment. For such
4 purposes, a district may conduct storm or surface water throughout the
5 district and throughout other political subdivisions within the
6 district, construct and lay drainage pipe and culverts along and upon
7 public highways, roads, and streets, within and without the district,
8 and condemn and purchase or acquire land and rights of way necessary
9 for such drainage systems. A district may provide or erect facilities
10 and improvements for the treatment and disposal of storm or surface
11 water within or without the district, and may acquire, by purchase or
12 condemnation, properties or privileges necessary to be had to protect
13 any lakes, rivers, or watercourses and also other areas of land from
14 pollution from storm or surface waters. For the purposes of drainage
15 facilities which include facilities that also generate electricity as
16 a byproduct, nothing in this section may be construed to authorize a
17 district to condemn electric generating, transmission, or distribution
18 rights or facilities of entities authorized by law to distribute
19 electricity, or to acquire such rights or facilities without the
20 consent of the owners;

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

23 (8) To compel all property owners within the district located
24 within an area served by the district's system of sewers to connect
25 their private drain and sewer systems with the district's system under
26 such penalty as the commissioners shall prescribe by resolution. The
27 district may for such purpose enter upon private property and connect
28 the private drains or sewers with the district system and the cost
29 thereof shall be charged against the property owner and shall be a lien
30 upon property served;

31 (9) Where a district contains within its borders, abuts, or is
32 located adjacent to any lake, stream, ground water as defined by RCW
33 90.44.035, or other waterway within the state of Washington, to provide
34 for the reduction, minimization, or elimination of pollutants from
35 those waters in accordance with the district's comprehensive plan, and
36 to issue general obligation bonds, revenue bonds, local improvement
37 district bonds, or utility local improvement bonds for the purpose of

1 paying all or any part of the cost of reducing, minimizing, or
2 eliminating the pollutants from these waters;

3 (10) Subject to subsection (6) of this section, to fix rates and
4 charges for water, sewer, and drain service supplied and to charge
5 property owners seeking to connect to the district's systems, as a
6 condition to granting the right to so connect, in addition to the cost
7 of the connection, such reasonable connection charge as the board of
8 commissioners shall determine to be proper in order that those property
9 owners shall bear their equitable share of the cost of the system. For
10 the purposes of calculating a connection charge, the board of
11 commissioners shall determine the pro rata share of the cost of
12 existing facilities and facilities planned for construction within the
13 next ten years and contained in an adopted comprehensive plan and other
14 costs borne by the district which are directly attributable to the
15 improvements required by property owners seeking to connect to the
16 system. The cost of existing facilities shall not include those
17 portions of the system which have been donated or which have been paid
18 for by grants. The connection charge may include interest charges
19 applied from the date of construction of the system until the
20 connection, or for a period not to exceed ten years, whichever is
21 shorter, at a rate commensurate with the rate of interest applicable to
22 the district at the time of construction or major rehabilitation of the
23 system, or at the time of installation of the lines to which the
24 property owner is seeking to connect. A district may permit payment of
25 the cost of connection and the reasonable connection charge to be paid
26 with interest in installments over a period not exceeding fifteen
27 years. The county treasurer may charge and collect a fee of three
28 dollars for each year for the treasurer's services. Those fees shall
29 be a charge to be included as part of each annual installment, and
30 shall be credited to the county current expense fund by the county
31 treasurer. Revenues from connection charges excluding permit fees are
32 to be considered payments in aid of construction as defined by
33 department of revenue rule. Rates or charges for on-site inspection
34 and maintenance services may not be imposed under this chapter on the
35 development, construction, or reconstruction of property.

36 Before adopting on-site inspection and maintenance utility
37 services, or incorporating residences into an on-site inspection and
38 maintenance or sewer utility under this chapter, notification must be

1 provided, prior to the applicable public hearing, to all residences
2 within the proposed service area that have on-site systems permitted by
3 the local health officer. The notice must clearly state that the
4 residence is within the proposed service area and must provide
5 information on estimated rates or charges that may be imposed for the
6 service.

7 A water-sewer district shall not provide on-site sewage system
8 inspection, pumping services, or other maintenance or repair services
9 under this section using water-sewer district employees unless the on-
10 site system is connected by a publicly owned collection system to the
11 water-sewer district's sewerage system, and the on-site system
12 represents the first step in the sewage disposal process.

13 Except as otherwise provided in RCW 90.03.525, any public entity
14 and public property, including the state of Washington and state
15 property, shall be subject to rates and charges for sewer, water, storm
16 water control, drainage, and street lighting facilities to the same
17 extent private persons and private property are subject to those rates
18 and charges that are imposed by districts. In setting those rates and
19 charges, consideration may be made of in-kind services, such as stream
20 improvements or donation of property;

21 (11) To contract with individuals, associations and corporations,
22 the state of Washington, and the United States;

23 (12) To employ such persons as are needed to carry out the
24 district's purposes and fix salaries and any bond requirements for
25 those employees;

26 (13) To contract for the provision of engineering, legal, and other
27 professional services as in the board of commissioner's discretion is
28 necessary in carrying out their duties;

29 (14) To sue and be sued;

30 (15) To loan and borrow funds and to issue bonds and instruments
31 evidencing indebtedness under chapter 57.20 RCW and other applicable
32 laws;

33 (16) To transfer funds, real or personal property, property
34 interests, or services subject to RCW 57.08.015;

35 (17) To levy taxes in accordance with this chapter and chapters
36 57.04 and 57.20 RCW;

37 (18) To provide for making local improvements and to levy and

1 collect special assessments on property benefitted thereby, and for
2 paying for the same or any portion thereof in accordance with chapter
3 57.16 RCW;

4 (19) To establish street lighting systems under RCW 57.08.060;

5 (20) To exercise such other powers as are granted to water-sewer
6 districts by this title or other applicable laws; and

7 (21) To exercise any of the powers granted to cities and counties
8 with respect to the acquisition, construction, maintenance, operation
9 of, and fixing rates and charges for waterworks and systems of sewerage
10 and drainage.

11 **Sec. 6.** RCW 57.08.081 and 1999 c 153 s 11 are each amended to read
12 as follows:

13 (1) Subject to RCW 57.08.005(6), the commissioners of any district
14 shall provide for revenues by fixing rates and charges for furnishing
15 sewer and drainage service and facilities to those to whom service is
16 available or for providing water, such rates and charges to be fixed as
17 deemed necessary by the commissioners, so that uniform charges will be
18 made for the same class of customer or service and facility. Rates and
19 charges may be combined for the furnishing of more than one type of
20 sewer or drainage service and facilities.

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

1 furnishing services, a district may require a deposit to guarantee
2 payment for services. However, failure to require a deposit does not
3 affect the validity of any lien authorized by this section.

4 (3) The commissioners shall enforce collection of connection
5 charges, and rates and charges for water supplied against property
6 owners connecting with the system or receiving such water, and for
7 sewer and drainage services charged against property to which and its
8 owners to whom the service is available, such charges being deemed
9 charges against the property served, by addition of penalties of not
10 more than ten percent thereof in case of failure to pay the charges at
11 times fixed by resolution. The commissioners may provide by resolution
12 that where either connection charges or rates and charges for services
13 supplied are delinquent for any specified period of time, the district
14 shall certify the delinquencies to the auditor of the county in which
15 the real property is located, and the charges and any penalties added
16 thereto and interest thereon at the rate of not more than the prime
17 lending rate of the district's bank plus four percentage points per
18 year shall be a lien against the property upon which the service was
19 received, subject only to the lien for general taxes.

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

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

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

37 (7) A district may provide a real property owner or the owner's
38 designee with duplicate bills for service to tenants, or may notify an

1 owner or the owner's designee that a tenant's service account is
2 delinquent. However, if an owner or the owner's designee notifies the
3 district in writing that a property served by the district is a rental
4 property, asks to be notified of a tenant's delinquency, and has
5 provided, in writing, a complete and accurate mailing address, the
6 district shall notify the owner or the owner's designee of a tenant's
7 delinquency at the same time and in the same manner the district
8 notifies the tenant of the tenant's delinquency or by mail. When a
9 district provides a real property owner or the owner's designee with
10 duplicates of tenant utility service bills or notice that a tenant's
11 utility account is delinquent, the district shall notify the tenant
12 that it is providing the duplicate bills or delinquency notice to the
13 owner or the owner's designee. After January 1, 1999, if a district
14 fails to notify the owner of a tenant's delinquency after receiving a
15 written request to do so and after receiving the other information
16 required by this subsection (7), the district shall have no lien
17 against the premises for the tenant's delinquent and unpaid charges.

18 **Sec. 7.** RCW 84.33.210 and 2001 c 249 s 6 are each amended to read
19 as follows:

20 (1) Any land that is designated as forest land under this chapter
21 at the earlier of the times the legislative authority of a local
22 government adopts a resolution, ordinance, or legislative act (a) to
23 create a local improvement district, in which the land is included or
24 would have been included but for the designation, or (b) to approve or
25 confirm a final special benefit assessment roll relating to a sanitary
26 or storm sewerage system, domestic water supply or distribution system,
27 or road construction or improvement, which roll would have included the
28 land but for the designation, shall be exempt from special benefit
29 assessments (~~(or)~~), charges in lieu of assessment, or rates and charges
30 for storm water control facilities under RCW 36.89.080 for such
31 purposes as long as that land remains designated as forest land, except
32 as otherwise provided in RCW 84.33.250.

33 (2) Whenever a local government creates a local improvement
34 district, the levying, collection, and enforcement of assessments shall
35 be in the manner and subject to the same procedures and limitations as
36 are provided under the law concerning the initiation and formation of
37 local improvement districts for the particular local government.

1 Notice of the creation of a local improvement district that includes
2 designated forest land shall be filed with the assessor and the
3 legislative authority of the county in which the land is located. The
4 assessor, upon receiving notice of the creation of a local improvement
5 district, shall send a notice to the owners of the designated forest
6 lands listed on the tax rolls of the applicable treasurer of:

7 (a) The creation of the local improvement district;

8 (b) The exemption of that land from special benefit assessments;

9 (c) The fact that the designated forest land may become subject to
10 the special benefit assessments if the owner waives the exemption by
11 filing a notarized document with the governing body of the local
12 government creating the local improvement district before the
13 confirmation of the final special benefit assessment roll; and

14 (d) The potential liability, pursuant to RCW 84.33.220, if the
15 exemption is not waived and the land is subsequently removed from
16 designated forest land status.

17 (3) When a local government approves and confirms a special benefit
18 assessment roll, from which designated forest land has been exempted
19 under this section, it shall file a notice of this action with the
20 assessor and the legislative authority of the county in which the land
21 is located and with the treasurer of that local government. The notice
22 shall describe the action taken, the type of improvement involved, the
23 land exempted, and the amount of the special benefit assessment that
24 would have been levied against the land if it had not been exempted.
25 The filing of the notice with the assessor and the treasurer of that
26 local government shall constitute constructive notice to a purchaser or
27 encumbrancer of the affected land, and every person whose conveyance or
28 encumbrance is subsequently executed or subsequently recorded, that the
29 exempt land is subject to the charges provided in RCW 84.33.220 and
30 84.33.230, if the land is removed from its designation as forest land.

31 (4) The owner of the land exempted from special benefit assessments
32 under this section may waive that exemption by filing a notarized
33 document to that effect with the legislative authority of the local
34 government upon receiving notice from said local government concerning
35 the assessment roll hearing and before the local government confirms
36 the final special benefit assessment roll. A copy of that waiver shall
37 be filed by the local government with the assessor, but the failure to
38 file this copy shall not affect the waiver.

1 (5) Except to the extent provided in RCW 84.33.250, the local
2 government shall have no duty to furnish service from the improvement
3 financed by the special benefit assessment to the exempted land.

4 **Sec. 8.** RCW 86.15.160 and 1986 c 278 s 60 are each amended to read
5 as follows:

6 For the purposes of this chapter the supervisors may authorize:

7 (1) An annual excess ad valorem tax levy within any zone or
8 participating zones when authorized by the voters of the zone or
9 participating zones under RCW 84.52.052 and 84.52.054;

10 (2) An assessment upon property, including state property,
11 specially benefited by flood control improvements or storm water
12 control improvements imposed under chapter 86.09 RCW;

13 (3) Within any zone or participating zones an annual ad valorem
14 property tax levy of not to exceed fifty cents per thousand dollars of
15 assessed value when the levy will not take dollar rates that other
16 taxing districts may lawfully claim and that will not cause the
17 combined levies to exceed the constitutional and/or statutory
18 limitations, and the additional levy, or any portion thereof, may also
19 be made when dollar rates of other taxing units is released therefor by
20 agreement with the other taxing units from their authorized levies;

21 (4) A charge, under RCW 36.89.080, for the furnishing of service to
22 those who are receiving or will receive benefits from storm water
23 control facilities and who are contributing to an increase in surface
24 water runoff. The rate or charge imposed under this section shall be
25 reduced by a minimum of ten percent for any new or remodeled commercial
26 building that utilizes a permissive rainwater harvesting system.
27 Rainwater harvesting systems shall be properly sized to utilize the
28 available roof surface of the building. The jurisdiction shall
29 consider rate reductions in excess of ten percent dependent upon the
30 amount of rainwater harvested;

31 (5) Except as otherwise provided in RCW 90.03.525, any public
32 entity and public property, including the state and state property,
33 shall be liable for the charges to the same extent a private person and
34 privately owned property is liable for the charges, and in setting
35 these rates and charges, consideration may be made of in-kind services,
36 such as stream improvements or donation of property;

1 (~~(5)~~) (6) The creation of local improvement districts and utility
2 local improvement districts, the issuance of improvement district bonds
3 and warrants, and the imposition, collection, and enforcement of
4 special assessments on all property, including any state-owned or other
5 publicly-owned property, specially benefited from improvements in the
6 same manner as provided for counties by chapter 36.94 RCW.

Passed by the House April 24, 2003.

Passed by the Senate April 10, 2003.

Approved by the Governor May 20, 2003.

Filed in Office of Secretary of State May 20, 2003.