
HOUSE BILL 1031

State of Washington

52nd Legislature

1991 Regular Session

By Representatives Wood, Haugen, Ferguson, Nelson, Horn, Roland, Paris and Nealey.

Read first time January 16, 1991. Referred to Committee on Local Government.

1 AN ACT Relating to water and sewer districts; amending RCW
2 43.09.240, 56.08.100, 56.08.140, 57.08.100, and 57.08.120; reenacting
3 and amending RCW 57.08.010; adding a new section to chapter 57.08 RCW;
4 adding a new section to chapter 56.16 RCW; and adding a new section to
5 chapter 57.20 RCW.

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

7 **Sec. 1.** RCW 43.09.240 and 1965 c 8 s 43.09.240 are each amended to
8 read as follows:

9 Every public officer and employee shall keep all accounts of his
10 office in the form prescribed and make all reports required by the
11 state auditor. Any public officer or employee who refuses or willfully
12 neglects to perform such duties shall be subject to removal from office
13 in an appropriate proceeding for that purpose brought by the attorney
14 general or by any prosecuting attorney.

1 Every public officer and employee, whose duty it is to collect or
2 receive payments due or for the use of the public shall deposit such
3 moneys collected or received by him with the treasurer of the taxing
4 district once every twenty-four consecutive hours, except that moneys
5 collected by water and sewer districts may be deposited ten working
6 days after receipt.

7 In case a public officer or employee collects or receives funds for
8 the account of a taxing district of which he is an officer or employee,
9 he shall, on Saturday of each week, pay to the proper officer of the
10 taxing district for the account of which the collection was made or
11 payment received, the full amount collected or received during the
12 current week for the account of the district.

13 **Sec. 2.** RCW 56.08.100 and 1981 c 190 s 5 are each amended to read
14 as follows:

15 A sewer district, by a majority vote of its board of commissioners,
16 may enter into contracts to provide health care services and/or group
17 insurance and/or term life insurance and/or social security insurance
18 for the benefit of its employees and may pay all or any part of the
19 cost thereof. Any two or more sewer districts or one or more sewer
20 districts and one or more water districts, by a majority vote of their
21 respective boards of commissioners, may, if deemed expedient, join in
22 the procuring of such health care services and/or group insurance
23 and/or term life insurance, and the board of commissioners of each
24 participating sewer and/or water district may by appropriate resolution
25 authorize their respective district to pay all or any portion of the
26 cost thereof.

27 A sewer district with five thousand or more customers providing
28 health, group, or life insurance to its employees may provide its
29 commissioners with the same coverage.

1 **Sec. 3.** RCW 56.08.140 and 1967 c 178 s 3 are each amended to read
2 as follows:

3 No such lease shall be made unless secured by a bond conditioned on
4 the performance of the terms of the lease, with surety satisfactory to
5 the commissioners, in a penalty of not less than one-sixth of the term
6 of the lease or for one year's rental, whichever is greater; and no
7 such lease shall be made for a term longer than twenty-five years.
8 However, the board of commissioners may require a reasonable security
9 deposit in lieu of a bond on leased real property owned by the water or
10 sewer district.

11 NEW SECTION. **Sec. 4.** A new section is added to chapter 56.16 RCW
12 to read as follows:

13 (1) The holder of a certificate of delinquency for general taxes,
14 before commencing any action to foreclose the lien of such certificate,
15 shall pay in full all sewer district service charges that are a lien
16 against the property or any portion of the property, or the holder may
17 elect to proceed to acquire title to the property subject to the sewer
18 district service charges that are a lien on the property. If the
19 holder so elects, the complaint, decree of foreclosure, order of sale,
20 sale, certificate of sale, and deed shall state that the title acquired
21 is subject to the sewer district service lien.

22 (2) Whenever property struck off to or bid in by a county at a sale
23 for general taxes is subsequently sold by the county, the proceeds of
24 the sale shall first be applied to (a) discharge in full the lien or
25 liens for general taxes for which property was sold, (b) then to sewer
26 district service liens, and (c) the surplus, if any, to be distributed
27 among the proper county funds.

1 **Sec. 5.** RCW 57.08.010 and 1989 c 389 s 9 and 1989 c 308 s 2 are
2 each reenacted and amended to read as follows:

3 (1) (a) A water district may acquire by purchase or condemnation,
4 or both, all property and property rights and all water and water
5 rights, both within and without the district, necessary for its
6 purposes.

7 (b) A water district may lease real or personal property necessary
8 for its purposes for a term of years for which such leased property may
9 reasonably be needed where in the opinion of the board of water
10 commissioners such property may not be needed permanently or
11 substantial savings to the district can be effected thereby.

12 (c) The right of eminent domain shall be exercised in the same
13 manner and by the same procedure as provided for cities of the third
14 class, insofar as consistent with the provisions of this title, except
15 that all assessment rolls to be prepared and filed by eminent domain
16 commissioners or commissioners appointed by the court shall be prepared
17 and filed by the water district, and the duties devolving upon the city
18 treasurer are hereby imposed upon the county treasurer.

19 (d) A water district may construct, condemn and purchase, purchase,
20 add to, maintain, and supply waterworks to furnish the district and
21 inhabitants thereof, and any city or town therein and any other
22 persons, both within and without the district, with an ample supply of
23 water for all uses and purposes public and private with full authority
24 to regulate and control the use, content, distribution, and price
25 thereof in such a manner as is not in conflict with general law and may
26 construct, acquire, or own buildings and other necessary district
27 facilities.

28 (e) A water district contiguous to Canada may contract with a
29 Canadian corporation for the purchase of water and for the
30 construction, purchase, maintenance, and supply of waterworks to

1 furnish the district and inhabitants thereof and residents of Canada
2 with an ample supply of water under terms approved by the board of
3 commissioners. Such waterworks may include facilities which result in
4 combined water supply and electric generation, provided that the
5 electricity generated thereby is a byproduct of the water supply
6 system.

7 (f) Such electricity may be used by the water district or sold to
8 any entity authorized by law to distribute electricity. Such
9 electricity is a byproduct when the electrical generation is
10 subordinate to the primary purpose of water supply.

11 (g) For such purposes, a water district may take, condemn and
12 purchase, purchase, acquire, and retain water from any public or
13 navigable lake, river, or watercourse, or any underflowing water and,
14 by means of aqueducts or pipe line conduct the same throughout such
15 water district and any city or town therein and carry it along and upon
16 public highways, roads, and streets, within and without such district.

17 (h) For the purpose of constructing or laying aqueducts or pipe
18 lines, dams, or waterworks or other necessary structures in storing and
19 retaining water or for any other lawful purpose such water district may
20 occupy the beds and shores up to the high water mark of any such lake,
21 river, or other watercourse, and may acquire by purchase or
22 condemnation such property or property rights or privileges as may be
23 necessary to protect its water supply from pollution.

24 (i) For the purposes of waterworks which include facilities for
25 the generation of electricity as a byproduct, nothing in this section
26 may be construed to authorize a water district to condemn electric
27 generating, transmission, or distribution rights or facilities of
28 entities authorized by law to distribute electricity, or to acquire
29 such rights or facilities without the consent of the owner.

1 (2) A water district may purchase and take water from any municipal
2 corporation.

3 (3) A water district may fix rates and charges for water supplied
4 and may charge property owners seeking to connect to the district's
5 water supply system, as a condition to granting the right to so
6 connect, in addition to the cost of such connection, such reasonable
7 connection charge as the board of commissioners shall determine to be
8 proper in order that such property owners shall bear their equitable
9 share of the cost of such system.

10 (a) For 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.

19 (b) The connection charge may include interest charges applied from
20 the date of construction of the water system until the connection, or
21 for a period not to exceed ten years, whichever is shorter, at a rate
22 commensurate with the rate of interest applicable to the district at
23 the time of construction or major rehabilitation of the water system,
24 or at the time of installation of the water lines to which the property
25 owner is seeking to connect.

26 (4) (a) A district may permit payment of the cost of connection and
27 the reasonable connection charge to be paid with interest in
28 installments over a period not exceeding fifteen years. The county
29 treasurer may charge and collect a fee of three dollars for each year
30 for the treasurer's services. Such fees shall be a charge to be

1 included as part of each annual installment, and shall be credited to
2 the county current expense fund by the county treasurer.

3 (b) Revenues from connection charges excluding permit fees are to
4 be considered payments in aid of construction as defined by department
5 of revenue rule.

6 **Sec. 6.** RCW 57.08.100 and 1981 c 190 s 6 are each amended to read
7 as follows:

8 A water district, by a majority vote of its board of commissioners,
9 may enter into contracts to provide health care services and/or group
10 insurance and/or term life insurance and/or social security insurance
11 for the benefit of its employees and may pay all or any part of the
12 cost thereof. Any two or more water districts or any one or more water
13 districts and one or more sewer districts, by a majority vote of their
14 respective boards of commissioners, may, if deemed expedient, join in
15 the procuring of such health care services and/or group insurance
16 and/or term life insurance, and the board of commissioners of each
17 participating sewer and/or water district may by appropriate resolution
18 authorize their respective district to pay all or any portion of the
19 cost thereof.

20 A water district with five thousand or more customers providing
21 health, group, or life insurance to its employees may provide its
22 commissioners with the same coverage.

23 **Sec. 7.** RCW 57.08.120 and 1967 ex.s. c 135 s 1 are each amended to
24 read as follows:

25 A water district may lease out real property which it owns or in
26 which it has an interest and which is not immediately necessary for its
27 purposes upon such terms as the board of water commissioners deems
28 proper: PROVIDED, That no such lease shall be made until the water

1 district has first caused notice thereof to be published twice in a
2 newspaper in general circulation in the water district, the first
3 publication to be at least fifteen days and the second at least seven
4 days prior to the making of such lease, which notice shall describe the
5 property proposed to be leased out, to whom, for what purpose, and the
6 rental to be charged therefor. A hearing shall be held pursuant to the
7 terms of the said notice, at which time any and all persons who may be
8 interested shall have the right to appear and to be heard.

9 No such lease shall be for a period longer than twenty-five years,
10 and each lease of real property shall be secured by a bond conditioned
11 to perform the terms of such lease with surety satisfactory to the
12 commissioners, in a penalty not less than the rental for one-sixth of
13 the term: PROVIDED, That the penalty shall not be less than the rental
14 for one year where the term is one year or more. In a lease, the term
15 of which exceeds five years, and when at the option of the
16 commissioners, it is so stipulated in the lease, the commission shall
17 accept, with surety satisfactory to it, a bond conditioned to perform
18 the terms of the lease for some part of the term, in no event less than
19 five years (unless the remainder of the unexpired term is less than
20 five years, in which case for the full remainder) and in every such
21 case the commissioners shall require of the lessee, another or other
22 like bond to be delivered within two years, and not less than one year
23 prior to the expiration of the period covered by the existing bond,
24 covering an additional part of the term in accordance with the
25 foregoing provisions in respect to the original bond, and so on until
26 the end of the term so that there will always be in force a bond
27 securing the performance of the lease, and the penalty in each bond
28 shall be not less than the rental for one-half the period covered
29 thereby, but no bond shall be construed to secure the furnishing of any
30 other bond. However, the board of commissioners may require a

1 reasonable security deposit in lieu of a bond on leased real property
2 owned by a water district.

3 The commissioners may accept as surety on any bond required by this
4 section, either an approved surety company or one or more persons
5 satisfactory to the commissioners, or in lieu of such bond may accept
6 a deposit as security of such property or collateral or the giving of
7 such other form of security as may be satisfactory to the
8 commissioners.

9 NEW SECTION. Sec. 8. A new section is added to chapter 57.08 RCW
10 to read as follows:

11 A water district may adopt a water conservation plan and emergency
12 water use restrictions. The district may enforce a water conservation
13 plan and emergency water use restrictions by imposing a fine as
14 provided by resolution for failure to comply with any such plan or
15 restrictions. The commissioners may provide by resolution that if a
16 fine for failure to comply with the water conservation plan or
17 emergency water use restrictions is delinquent for a specified period
18 of time, the district shall certify the delinquency to the treasurer of
19 the county in which the real property is located and serve notice of
20 the delinquency on the party failing to comply, and the fine is then a
21 lien against the property of the party failing to comply with the water
22 conservation plan or emergency water use restrictions. The district
23 may enforce the collection of the fines in the same manner as rates and
24 charges as provided in RCW 57.08.080 and 57.08.090.

25 NEW SECTION. Sec. 9. A new section is added to chapter 57.20 RCW
26 to read as follows:

27 (1) The holder of a certificate of delinquency for general taxes,
28 before commencing any action to foreclose the lien of such certificate,

1 shall pay in full all water district service charges that are a lien
2 against the property or any portion of the property, or the holder may
3 elect to proceed to acquire title to the property subject to the water
4 district service charges that are a lien on the property. If the
5 holder so elects, the complaint, decree of foreclosure, order of sale,
6 sale, certificate of sale, and deed shall state that the title acquired
7 is subject to the water district service lien.

8 (2) Whenever property struck off to or bid in by a county at a sale
9 for general taxes is subsequently sold by the county, the proceeds of
10 the sale shall first be applied to (a) discharge in full the lien or
11 liens for general taxes for which property was sold, (b) then to water
12 district service liens, and (c) the surplus, if any, to be distributed
13 among the proper county funds.