

**HB 1728 - H AMD 42**

By Representative Takko

ADOPTED 03/03/2009

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 43.52.375 and 1982 1st ex.s. c 43 s 7 are each  
4 amended to read as follows:

5 (1) The board of each joint operating agency shall by resolution  
6 appoint a treasurer. The treasurer shall be the chief financial  
7 officer of the operating agency, who shall report at least annually to  
8 the board a detailed statement of the financial condition of the  
9 operating agency and of its financial operations for the preceding  
10 fiscal year. The treasurer shall advise the board on all matters  
11 affecting the financial condition of the operating agency. Before  
12 entering upon his or her duties the treasurer shall give bond to the  
13 operating agency, with a surety company authorized to write such bonds  
14 in this state as surety, in an amount which the board finds by  
15 resolution will protect the operating agency against loss, conditioned  
16 that all funds which he or she receives as such treasurer will be  
17 faithfully kept and accounted for and for the faithful discharge of his  
18 or her duties. The amount of such bond may be decreased or increased  
19 from time to time as the board may by resolution direct.

20 (2) The board shall also appoint an auditor and may require him or  
21 her to give a bond with a surety company authorized to do business in  
22 the state of Washington in such amount as it shall by resolution  
23 prescribe, conditioned for the faithful discharge of his or her duties.  
24 The auditor shall report directly to the board and be responsible to it  
25 for discharging his or her duties.

26 (3) The premiums on the bonds of the auditor and the treasurer  
27 shall be paid by the operating agency. The board may provide for  
28 coverage of said officers and other persons on the same bond.

29 (4) All funds of the joint operating agency shall be paid to the  
30 treasurer and shall be disbursed by (~~him~~) the treasurer only on

1 checks or warrants issued by the auditor upon orders or vouchers  
2 approved by the board: PROVIDED, That the board by resolution may  
3 authorize the managing director or any other bonded officer or employee  
4 as legally permissible to approve or disapprove vouchers presented to  
5 defray salaries of employees and other expenses of the operating agency  
6 arising in the usual and ordinary course of its business, including  
7 expenses incurred by the board of directors, its executive committee,  
8 or the executive board in the performance of their duties. All moneys  
9 of the operating agency shall be deposited forthwith by the treasurer  
10 in such depositories, and with such securities as are designated by  
11 rules of the board. The treasurer shall establish a general fund and  
12 such special funds as shall be created by the board, into which he or  
13 she shall place all money of the joint operating agency as the board by  
14 resolution or motion may direct.

15 (5) The board may adopt a policy for the payment of claims or other  
16 obligations of the operating agency, which are payable out of solvent  
17 funds, and may elect to pay such obligations by check or warrant.  
18 However, if the applicable fund is not solvent at the time payment is  
19 ordered, then no check may be issued and payment shall be by warrant.  
20 When checks are to be used, the board shall designate the qualified  
21 public depository upon which the checks are to be drawn as well as the  
22 officers required or authorized to sign the checks. For the purposes  
23 of this chapter, "warrant" includes checks where authorized by this  
24 subsection.

25 **Sec. 2.** RCW 54.24.010 and 1999 c 18 s 6 are each amended to read  
26 as follows:

27 (1) The treasurer of the county in which a utility district is  
28 located shall be ex officio treasurer of the district: PROVIDED, That  
29 the commission by resolution may designate some other person having  
30 experience in financial or fiscal matters as treasurer of the utility  
31 district. The commission may require a bond, with a surety company  
32 authorized to do business in the state of Washington, in an amount and  
33 under the terms and conditions which the commission by resolution from  
34 time to time finds will protect the district against loss. The premium  
35 on any such bond shall be paid by the district.

36 (2) All district funds shall be paid to the treasurer and shall be  
37 disbursed by him or her only on warrants issued by an auditor appointed

1 by the commission, upon orders or vouchers approved by it. The  
2 treasurer shall establish a public utility district fund, into which  
3 shall be paid all district funds, and he or she shall maintain such  
4 special funds as may be created by the commission, into which he or she  
5 shall place all money as the commission may, by resolution, direct.

6 (3) If the treasurer of the district is the treasurer of the county  
7 all district funds shall be deposited with the county depositaries  
8 under the same restrictions, contracts, and security as provided for  
9 county depositaries; if the treasurer of the district is some other  
10 person, all funds shall be deposited in such bank or banks authorized  
11 to do business in this state as the commission by resolution shall  
12 designate, and with surety bond to the district or securities in lieu  
13 thereof of the kind, no less in amount, as provided in RCW 36.48.020  
14 for deposit of county funds.

15 (4) Such surety bond or securities in lieu thereof shall be filed  
16 or deposited with the treasurer of the district, and approved by  
17 resolution of the commission.

18 (5) All interest collected on district funds shall belong to the  
19 district and be deposited to its credit in the proper district funds.

20 (6) A district may provide and require a reasonable bond of any  
21 other person handling moneys or securities of the district: PROVIDED,  
22 That the district pays the premium thereon.

23 (7) If the treasurer of the district is some other person than the  
24 treasurer of the county, the commission may adopt a policy for the  
25 payment of claims or other obligations of the utility district, which  
26 are payable out of solvent funds, and may elect to pay such obligations  
27 by check or warrant. However, if the applicable fund is not solvent at  
28 the time payment is ordered, then no check may be issued and payment  
29 shall be by warrant. When checks are to be used, the commission shall  
30 designate the qualified public depositary upon which the checks are to  
31 be drawn as well as the officers required or authorized to sign the  
32 checks. For the purposes of this chapter, "warrant" includes checks  
33 where authorized by this subsection."

34 Correct the title.

EFFECT: Establishes that the commission of a public utility

district is authorized to adopt a policy for the payment of claims or other obligations of the district, including policies regarding the issuance of checks or warrants, only if the treasurer of the district is someone other than the county treasurer.

--- END ---