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**SUBSTITUTE SENATE BILL 5267**

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**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** Senate Government Operations & Elections (originally sponsored by Senators Sheldon, Berkey, Morton, Kastama, and Delvin)

READ FIRST TIME 02/02/09.

1       AN ACT Relating to the issuance of checks by joint operating  
2 agencies and public utility districts; and amending RCW 43.52.375 and  
3 54.24.010.

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

5       **Sec. 1.** RCW 43.52.375 and 1982 1st ex.s. c 43 s 7 are each amended  
6 to read as follows:

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

1 faithfully kept and accounted for and for the faithful discharge of his  
2 or her duties. The amount of such bond may be decreased or increased  
3 from time to time as the board may by resolution direct.

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

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

13 (4) All funds of the joint operating agency shall be paid to the  
14 treasurer and shall be disbursed by (~~him~~) the treasurer only on  
15 checks or warrants issued by the auditor upon orders or vouchers  
16 approved by the board: PROVIDED, That the board by resolution may  
17 authorize the managing director or any other bonded officer or employee  
18 as legally permissible to approve or disapprove vouchers presented to  
19 defray salaries of employees and other expenses of the operating agency  
20 arising in the usual and ordinary course of its business, including  
21 expenses incurred by the board of directors, its executive committee,  
22 or the executive board in the performance of their duties. All moneys  
23 of the operating agency shall be deposited forthwith by the treasurer  
24 in such depositories, and with such securities as are designated by  
25 rules of the board. The treasurer shall establish a general fund and  
26 such special funds as shall be created by the board, into which he or  
27 she shall place all money of the joint operating agency as the board by  
28 resolution or motion may direct.

29 (5) The board may adopt a policy for the payment of claims or other  
30 obligations of the operating agency, which are payable out of solvent  
31 funds, and may elect to pay such obligations by check or warrant.  
32 However, if the applicable fund is not solvent at the time payment is  
33 ordered, then no check may be issued and payment shall be by warrant.  
34 When checks are to be used, the board shall designate the qualified  
35 public depository upon which the checks are to be drawn as well as the  
36 officers required or authorized to sign the checks. For the purposes  
37 of this chapter, "warrant" includes checks where authorized by this  
38 subsection.

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

3       (1) The treasurer of the county in which a utility district is  
4 located shall be ex officio treasurer of the district: PROVIDED, That  
5 the commission by resolution may designate some other person having  
6 experience in financial or fiscal matters as treasurer of the utility  
7 district. The commission may require a bond, with a surety company  
8 authorized to do business in the state of Washington, in an amount and  
9 under the terms and conditions which the commission by resolution from  
10 time to time finds will protect the district against loss. The premium  
11 on any such bond shall be paid by the district.

12       (2) All district funds shall be paid to the treasurer and shall be  
13 disbursed by him or her only on warrants issued by an auditor appointed  
14 by the commission, upon orders or vouchers approved by it. The  
15 treasurer shall establish a public utility district fund, into which  
16 shall be paid all district funds, and he or she shall maintain such  
17 special funds as may be created by the commission, into which he or she  
18 shall place all money as the commission may, by resolution, direct.

19       (3) If the treasurer of the district is the treasurer of the county  
20 all district funds shall be deposited with the county depositaries  
21 under the same restrictions, contracts, and security as provided for  
22 county depositaries; if the treasurer of the district is some other  
23 person, all funds shall be deposited in such bank or banks authorized  
24 to do business in this state as the commission by resolution shall  
25 designate, and with surety bond to the district or securities in lieu  
26 thereof of the kind, no less in amount, as provided in RCW 36.48.020  
27 for deposit of county funds.

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

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

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

36       (7) If the treasurer of the district is some other person than the  
37 treasurer of the county, the commission may adopt a policy for the  
38 payment of claims or other obligations of the utility district, which

1 are payable out of solvent funds, and may elect to pay such obligations  
2 by check or warrant. However, if the applicable fund is not solvent at  
3 the time payment is ordered, then no check may be issued and payment  
4 shall be by warrant. When checks are to be used, the commission shall  
5 designate the qualified public depository upon which the checks are to  
6 be drawn as well as the officers required or authorized to sign the  
7 checks. For the purposes of this chapter, "warrant" includes checks  
8 where authorized by this subsection.

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