

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1407**

Chapter 285, Laws of 2011

62nd Legislature  
2011 Regular Session

WATER SYSTEMS--MUNICIPAL CORPORATION--SALE OR CONVEYANCE

EFFECTIVE DATE: 07/22/11

Passed by the House April 14, 2011  
Yeas 90 Nays 7

FRANK CHOPP

\_\_\_\_\_  
**Speaker of the House of Representatives**

Passed by the Senate April 4, 2011  
Yeas 44 Nays 2

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Approved May 10, 2011, 3:24 p.m.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1407** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

\_\_\_\_\_  
**Chief Clerk**

FILED

May 11, 2011

**Secretary of State  
State of Washington**

---

HOUSE BILL 1407

---

AS AMENDED BY THE SENATE

Passed Legislature - 2011 Regular Session

State of Washington                      62nd Legislature                      2011 Regular Session

By Representatives Ryu, Hope, Dunshee, Angel, and Kagi

Read first time 01/20/11. Referred to Committee on Local Government.

1            AN ACT Relating to the negotiated sale and conveyance of all or  
2 part of water systems owned by a municipal corporation; and amending  
3 RCW 54.16.180.

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

5            **Sec. 1.** RCW 54.16.180 and 2008 c 198 s 5 are each amended to read  
6 as follows:

7            (1) A district may sell and convey, lease, or otherwise dispose of  
8 all or any part of its works, plants, systems, utilities and  
9 properties, after proceedings and approval by the voters of the  
10 district, as provided for the lease or disposition of like properties  
11 and facilities owned by cities and towns. The affirmative vote of  
12 three-fifths of the voters voting at an election on the question of  
13 approval of a proposed sale((7)) shall be necessary to authorize such  
14 a sale.

15            (2) A district may, without the approval of the voters, sell,  
16 convey, lease, or otherwise dispose of all or any part of the property  
17 owned by it that is located:

18            (a) Outside its boundaries, to another public utility district,  
19 city, town or other municipal corporation; or

1 (b) Within or without its boundaries, which has become  
2 unserviceable, inadequate, obsolete, worn out or unfit to be used in  
3 the operations of the system and which is no longer necessary, material  
4 to, and useful in such operations, to any person or public body.

5 (3) A district may sell, convey, lease or otherwise dispose of  
6 items of equipment or materials to any other district, to any  
7 cooperative, mutual, consumer-owned or investor-owned utility, to any  
8 federal, state, or local government agency, to any contractor employed  
9 by the district or any other district, utility, or agency, or any  
10 customer of the district or of any other district or utility, from the  
11 district's stores without voter approval or resolution of the  
12 district's board, if such items of equipment or materials cannot  
13 practicably be obtained on a timely basis from any other source, and  
14 the amount received by the district in consideration for any such sale,  
15 conveyance, lease, or other disposal of such items of equipment or  
16 materials is not less than the district's cost to purchase such items  
17 or the reasonable market value of equipment or materials.

18 (4) A district located within a county with a population of from  
19 one hundred twenty-five thousand to less than two hundred ten thousand  
20 may sell and convey to a city of the first class, which owns its own  
21 water system, all or any part of a water system owned by the district  
22 where a portion of it is located within the boundaries of the city,  
23 without approval of the voters, upon such terms and conditions as the  
24 district shall determine.

25 (5) A district located in a county with a population of from twelve  
26 thousand to less than eighteen thousand and bordered by the Columbia  
27 river may, separately or in connection with the operation of a water  
28 system, or as part of a plan for acquiring or constructing and  
29 operating a water system, or in connection with the creation of another  
30 or subsidiary local utility district, provide for the acquisition or  
31 construction, additions or improvements to, or extensions of, and  
32 operation of, a sewage system within the same service area as in the  
33 judgment of the district commission is necessary or advisable to  
34 eliminate or avoid any existing or potential danger to public health  
35 due to lack of sewerage facilities or inadequacy of existing  
36 facilities.

37 (6) A district located within a county with a population of from  
38 one hundred twenty-five thousand to less than two hundred ten thousand

1 bordering on Puget Sound may sell and convey to any city or town with  
2 a population of less than ten thousand all or any part of a water  
3 system owned by the district without approval of the voters upon such  
4 terms and conditions as the district shall determine.

5 (7) A district located within a county with a population of from  
6 six hundred fifty thousand to less than seven hundred fifty thousand  
7 bordering on Puget Sound may sell and convey to any city or town with  
8 a population of less than sixty-five thousand which owns its own water  
9 system all or any part of a water system owned by the district without  
10 approval of the voters upon such terms and conditions as the district  
11 shall determine.

12 (8) A district may sell and convey, lease, or otherwise dispose of,  
13 to any person or entity without approval of the voters and upon such  
14 terms and conditions as it determines, all or any part of an electric  
15 generating project owned directly or indirectly by the district,  
16 regardless of whether the project is completed, operable, or operating,  
17 as long as:

18 (a) The project is or would be powered by an eligible renewable  
19 resource as defined in RCW 19.285.030; and

20 (b) The district, or the separate legal entity in which the  
21 district has an interest in the case of indirect ownership, has:

22 (i) The right to lease the project or to purchase all or any part  
23 of the energy from the project during the period in which it does not  
24 have a direct or indirect ownership interest in the project; and

25 (ii) An option to repurchase the project or part thereof sold,  
26 conveyed, leased, or otherwise disposed of at or below fair market  
27 value upon termination of the lease of the project or termination of  
28 the right to purchase energy from the project.

29 ~~((8))~~ (9) Districts are municipal corporations for the purposes  
30 of this section. A commission shall be held to be the legislative  
31 body, a president and secretary shall have the same powers and perform  
32 the same duties as a mayor and city clerk, and the district resolutions  
33 shall be held to be ordinances within the meaning of statutes governing  
34 the sale, lease, or other disposal of public utilities owned by cities  
35 and towns.

Passed by the House April 14, 2011.

Passed by the Senate April 4, 2011.

Approved by the Governor May 10, 2011.

Filed in Office of Secretary of State May 11, 2011.