



General Manager's Report to Board of Commissioners

Date: 4/17/2015

Re: Washington State 64th Legislature 2015 Update

Several bills affecting the District passed both houses during the regular session of this 64th legislature. The session is winding down and several important dates have already passed with the bill the District supported being returned to the House Rules Committee not being considered on by the House of Representatives by the 94th day of the session. Before I consider the bill that did not pass this year, I will provide a briefing on the bills that did pass.

Senate Bill 5238

Sponsors: Jan Angel (R) 26th, Marko Lias (D) 21st, Jim Honeyford (R) 15th, John McCoy (D) 38th, Bruce Dammeier (R) 25th, Maralyn Chase (D) 32nd

SB 5238 modifies public participation requirements of the growth management act relating to group "A" public water systems required to develop water system plans.

Specifically, a Group A public Water System required to develop water system plans consistent with state board of health rules adopted under RCW 43.20.050 (water system with 1000 or more connections) are now subject to RCW 36.70A.035 "Growth Management - Public Participation - Notice Provisions"

During the Water System Plan Update Process Public Water System with 1000 or more connections will be required to:

Include notice procedures to provide property owners and other affected and interested individuals, tribes, government agencies, businesses, school districts, and organizations of the proposed amendments to the Water System Plan update. The examples of notices that will be required are:

- Property posting;
- Publishing notice in a newspaper of general circulation in the county, city, or general area where the proposal is located or that will be affected by the proposal;
- Notifying public or private groups with known interest in a certain proposal or in the type of proposal being considered;
- Placing notices in appropriate regional, neighborhood, ethnic, or trade journals; and
- Publishing notice in agency newsletters or sending notice to agency mailing lists, including general lists or lists for specific proposals or subject areas.

Hold a Public Hearing Allowing for Public Comment on the Water System Plan. No limited to just ratepayers or customers of the Group "A" Water System, must be an Open Public Meeting.

There are some exceptions that will apply:

- An environmental impact statement (EIS) has been prepared under Chapter 43.21C RCW "State Environmental Policy Act (SEPA)". for the pending Water System Plan;
- The proposed change is within the scope of alternatives that are available for public comment; and
- The proposed change in only corrects typographical errors, corrects cross-references, makes address of name changes or clarifies language of a proposed ordinance or resolution with changing its effect.

Engrossed Substitute Senate Bill 5048

Sponsors: Maralyn Chase (D) 32nd, Pam Roach (R) 31st, Brian Hatfield (D) 19th, Mark Miloscia (R) 30th

ESSB 5048 Subjects to a referendum, a resolution or ordinance adopted by the legislative body of a city to assume jurisdiction of all or part of a water-sewer district. Exempts a city legislative authority from the referendum requirement if it assumes jurisdiction of all or part of a water-sewer district through a contract with a water-sewer district or through an interlocal agreement with a water-sewer district.

Specifically:

- Makes resolutions and ordinances adopted by city legislative bodies to assume jurisdiction of all or part of a water-sewer district (district) subject to referendum by the voters in the area subject to the assumption.
- Establishes requirements and provisions related to the referendum process.
- Exempts full or partial assumptions from being subject to a referendum if the assumption occurs through a contract or an interlocal agreement between the city and the district.
- Provides that resolutions and ordinances adopted by city legislative bodies to assume jurisdiction of all or part of a district may not take effect until 90 or more days after their adoption.

Engrossed Substitute House Bill 1410

Sponsors: Dean Takko (D) 19th, Dick Muri (R) 28th, Christine Kilduff (D) 28th, Hans Zeiger (R) 25th, Matt Manweller (R) 13th, Liz Pike (R) 18th, Derek Stanford (D) 1st, Cary Condotta (R) 12th

ESHB 1410 Increases the estimated cost threshold, from twenty thousand dollars to fifty thousand dollars, in which work ordered by a water-sewer district must be let by contract and competitive bidding.

Background: Special purpose districts are limited purpose local governments separate from a city, town, or county government. Water-sewer districts (districts), a type of special purpose district, are created to further public health and safety and to furnish water, sewerage, and drainage services to persons within and without the district.

Districts have many statutorily enumerated powers, including power to construct, condemn and purchase, maintain, and operate waterworks, systems of sewers, systems of reclaimed water, and systems of drainage. Additionally,

districts may seek to reduce, minimize, or eliminate pollutants from lakes, streams, groundwater, or other waterways that are in or adjacent to the district. Districts are authorized to fix rates and charges for services, enter into contracts, have employees and fix salaries, loan and borrow funds, issue bonds and instruments evidencing indebtedness, and levy taxes.

Contract and Competitive Bidding. All work ordered by a district, which has an estimated cost in excess of \$20,000, must be let by contract and competitive bidding. Any purchases by the district of materials, supplies, or equipment, which has an estimated cost in excess of \$40,000, must be let by contract. Purchases with an estimated cost of \$50,000 or more must be made by competitive bidding. Competitive bidding requirements may be waived if an applicable exemption applies to the purchase or public work.

Before a district contract requiring competitive bidding is awarded, notice inviting sealed bid proposals must be published. Bids submitted to the district must be accompanied by a deposit in an amount not less than 5 percent of the amount of the bid. The contract must be awarded to the lowest responsible bidder.

When a contract is let, the successful bidder's deposit is retained until the contract is entered into for the work and a performance bond for the full amount of the contract price is furnished to the district in accordance with the bid. If the bidder fails to enter into a contract and furnish a performance bond, the deposit is forfeited to the district.

Alternative Contract Procedure. As an alternative to the competitive bidding process, a district may let works contracts using the small works roster process. A district may create a single general small works roster, or a small works roster for different specialties or categories of anticipated work, that consists of all responsible contractors who have requested to be on the list and are properly licensed or registered in this state, if applicable. Similarly, the district may award purchase contracts to suppliers designated on current state agency, county, city, or town purchasing rosters, when the roster has been established in accordance with applicable competitive bidding laws for purchases.

Summary. The estimated cost threshold for work ordered by a district, over which it must be let by contract and competitive bidding, is increased from \$20,000 to \$50,000.

Staff Summary of Public Testimony. (In support) Statute sets competitive bidding threshold requirements on numerous government entities and, after a while, the statutes need to be updated. The \$20,000 threshold for districts is too low; \$90,000 is more reasonable. All utilities, including cities, towns, and public utility districts, agree that the \$20,000 limit makes no sense.

This bill will save districts money. Districts are fiscally responsible. They only use ratepayer funds and do not use taxes. For 2013 there are numerous examples of projects that districts were not able to do in-house and were required to contract out, because of the current cost threshold. Districts are capable of completing such projects for approximately half the cost of letting them by contract. For small projects, prices can really inflate. Doing the work in-house means fewer costs for engineering, parts, labor, etc.

Under current law, even small utility projects are required to be let by public bidding, and sometimes they receive few or no responsive bids. Contracting out

these small projects causes delays and increases the cost of the project and the burden on customers.

District staff are required to be certified for certain utility activities and the district is protected with regards to the work; however, when jobs are let, the same protections do not apply. Staff must review the work done by the outside contractor, and sometimes fix problems. In-house expertise will decrease redundant measures and costs, as well as protect the district.

The \$20,000 limit cripples a district's ability to train and instruct staff to handle emergencies. Districts are not able to give staff the practical experiences they need. Also, doing projects in-house creates pride of ownership in the project, and utility operators have the opportunity to comprehend the infrastructure better. This ultimately improves service to the customer.

This bill is identical to a bill that passed the House last year, which received broad bipartisan support.

(In Opposition) Increasing the cost threshold to \$90,000 is like stealing \$90,000 worth of jobs from the private sector. It is disturbing to contractors to see projects being done in-house. Construction is typically a job for the private sector, and the government does not need to be taking over this work. In the past, the private sector has helped the public sector find better, easier ways to contract for work, for example, with the small works roster. If a construction project goes bad, a private contractor is bonded and insured, and it costs the government nothing to fix the problem. However, when a project done by the government goes bad, the taxpayers pay for it.

Persons Testifying:

(In support) Representative Takko, prime sponsor; Bill Clarke and Jeff Johnson, Water Cooperative of Pierce County; Randy Black, Lakewood Water District; and Ted Hardiman, Valley Water District.

(In Opposition) Larry Stevens, Mechanical Contractors Association of Western Washington.

End of Report on bills that passed both houses

The bill that did not pass both houses of the legislature this year that would have impacted the District:

Substitute House Bill 1197

Sponsors: Dean Takko (D) 19th, Linda Kochmar (R) 30th

Substitute Senate Bill 5350

Sponsors: Pam Roach (R) 31st, Brian Hatfield (D) 19th,

SHB 1197 and SSB 5350 Requires certain real property of a water-sewer district to be sold by public sale only. Authorizes the board of commissioners of a water-sewer district to adopt a policy to issue its own warrants for payment of claims or other obligations of the district under certain circumstances.

Background:

Water-sewer districts (districts) may purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside of the district. Districts may also develop and operate systems of sewers and drainage, and are

authorized to create facilities, systems, and programs for the collection, interception, treatment, disposal, and pollution control of wastewater. Districts may also fix rates and charges for services, enter into contracts, levy taxes, and issue bonds and instruments evidencing indebtedness. Water-sewer districts are governed by boards of elected commissioners (boards).

Sales of Real Property.

A board may sell district property at a public or private sale if it: (1) determines that the property is not and will not be needed for district purposes; and (2) provides notice of the sale in accordance with specific requirements, including the estimated value of the property or, if an appraisal has been made, the property's appraised value.

The authority to engage in the private sale of real property is limited to property with an estimated value of \$5,000 or less. In conducting such a sale, the board may, as it deems appropriate, determine the estimated value based upon the advice of real estate brokers and appraisers.

If the estimated value of the property to be sold exceeds \$5,000, the value must be established by a written broker price opinion from three licensed and disinterested real estate brokers, or by a professionally designated real estate appraiser. A signed broker price opinion or appraisal must be filed with the secretary of the board and available to open public inspection.

With limited exceptions, district property may not be sold for less than 90 percent of its value. However, if after 120 days of offering the property for sale it cannot be sold at 90 percent or more of its estimated or appraised value, the board may adopt a resolution stating that the district has been unable to sell the property at the 90 percent amount. The district may then, subject to public notice requirements and right of refusal authorizations, sell the property at the highest price it can obtain at public auction. The applicable notice must, among other requirements, describe the property, state the time and place at which it will be offered for sale, and state the terms of sale.

Treasurer Duties, Warrants. The applicable county treasurer is the treasurer of the district. However, with the approval of the county treasurer, the board of any district with more than 2,500 water customers or sewer customers may designate another person to act as the district treasurer. The district treasurer must have experience in financial or fiscal matters.

All taxes and revenue collected by the district, except those funds received for specified obligations, must be maintained in a maintenance or general fund created and maintained by the district treasurer. Disbursements from the general fund are authorized only by warrants of the county auditor issued with the authority of the board or upon a resolution of the board. The district treasurer must also maintain special funds as prescribed by the district, and similarly, disbursements may occur by warrants of the county auditor.

Bill Path.

SHB 1197 was placed in the House Rules X files¹ on March 4th due to the progress of SSB 5350 in the Senate. SSB 5350: **February 3rd**, pass out of Senate Committee on Government Operations & Security and sent to Senate Rules Committee; **February 10th**, Placed on second consent calendar; **February 25th**, Rules suspended, Placed on third reading (passed Senate 48 yeas 0 nays 0 absent 1 excused);

¹ Rules Committee Determines the Bill will go no further in the process this session.

February 26th, First reading in the House Local Government Committee; **March 12th**, Pass out of the House Local Government Committee referred to House Rules Committee; **April 14th**, placed on second reading; **April 15th** (94th day)Returned to Rules Committee for second reading. The 94th day of the legislature was the last day to consider (pass) opposite house bills (5:00 p.m.). SSB 5350 was not called to the floor until the 93rd day of the session although it was eligible to be called to the floor as early as the 60th day of the session.

Summary of Bill:

Sales of Real Property.

Provisions governing the sale of real property by districts are modified. The estimated value of all property to be sold by the district must be determined by the board, and based on a written appraisal report by a state-licensed or state-certified real estate appraiser, or a written broker's price opinion. The appraisal report or broker's price report must have been prepared less than six months before the date of sale. Provisions that apply to notices of and for district intentions to sell real property are modified to specify that the notices must also refer to the appraisal report or the broker's price opinion, as applicable.

If no purchaser can be found for real property within 120 days of publication of the initial notice of intention to sell, the board may adopt a resolution stating that the district has been unable to sell the real property at 90 percent or more of the estimated value. The district may then, subject to public notice requirements and right of refusal authorizations, sell the property at the highest price it can obtain at public auction. The applicable auction notice, among other requirements, must describe the real property, state the time and place of the public auction and the minimum opening bid, if any, and specify the terms and conditions of sale.

Treasurer Duties, Warrants.

The board of a district with an annual operating budget of \$5 million or more in each of the preceding three years is authorized to adopt a policy to issue its own warrants for the payment of claims or other obligations of the district.

Similarly, the board of a district with an annual operating budget greater than \$250,000 and less than \$5 million in each of the preceding three years is authorized to adopt a policy to issue its own warrants for the payment of claims or other district obligations. Prior to adoption of the policy, the district must also obtain an appropriate agreement between the county treasurer and the board.

For both categories of districts, the board may authorize the issuing of one general certificate that permits the county treasurer to pay all warrants specified in the general certificate. The district may then issue the warrants specified in the general certificate.

Staff Summary of Public Testimony:

(In Support): This bill is a technical bill. The part with the county treasurer and the use of warrants was in a bill last session. The part dealing with the sale of surplus property is addressing an ambiguous statute. This bill will let a district know exactly what it needs to do when selling surplus real property. There is ambiguity around having three broker opinions and ambiguity around the date from which the 120-day period would run. This bill

will help a district be able to pay its bills on time. Currently the commissioners approve all of the bills, they are sent to the county auditor, and one day per month the county auditor issues warrants to the county treasurer, who then pays the bills. This bill will allow districts to write their own warrants, to take advantage of electronic funds transfers, and to use other new methods of paying bills electronically. This bill is a housekeeping bill.

(In Opposition) None

Persons Testifying: **(In Support)**: Joe Daniels, Blair Burroughs, WA Assn. of Water & Sewer Districts; Bill Neal, North Beach Water District; Steve Lindstrom, Sno-King Water-Sewer Districts Coalition. **(In Opposition)** None.



communication programs, information services, and consideration of and response to public comments.

Summary: The list of persons and entities that public participation requirements of GMA must, through notice procedures, be reasonably calculated to provide notice of proposed amendments to comprehensive plans and development regulations is expanded to include Group A public water systems that are required to develop water system plans.

Votes on Final Passage:

Senate	49	0
House	93	4

Effective: 90 days.

CERTIFICATION OF ENROLLMENT

SENATE BILL 5238

64th Legislature
2015 Regular Session

Passed by the Senate March 9, 2015
Yeas 49 Nays 0

President of the Senate

Passed by the House April 8, 2015
Yeas 93 Nays 4

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5238** as passed by Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SENATE BILL 5238

Passed Legislature - 2015 Regular Session

State of Washington 64th Legislature 2015 Regular Session

By Senators Angel, Liiias, Honeyford, McCoy, Dammeier, and Chase

Read first time 01/16/15. Referred to Committee on Government
Operations & State Security.

1 AN ACT Relating to public water systems; and amending RCW
2 36.70A.035.

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

4 **Sec. 1.** RCW 36.70A.035 and 1999 c 315 s 708 are each amended to
5 read as follows:

6 (1) The public participation requirements of this chapter shall
7 include notice procedures that are reasonably calculated to provide
8 notice to property owners and other affected and interested
9 individuals, tribes, government agencies, businesses, school
10 districts, group A public water systems required to develop water
11 system plans consistent with state board of health rules adopted
12 under RCW 43.20.050, and organizations of proposed amendments to
13 comprehensive plans and development regulation. Examples of
14 reasonable notice provisions include:

15 (a) Posting the property for site-specific proposals;

16 (b) Publishing notice in a newspaper of general circulation in
17 the county, city, or general area where the proposal is located or
18 that will be affected by the proposal;

19 (c) Notifying public or private groups with known interest in a
20 certain proposal or in the type of proposal being considered;

1 (d) Placing notices in appropriate regional, neighborhood,
2 ethnic, or trade journals; and

3 (e) Publishing notice in agency newsletters or sending notice to
4 agency mailing lists, including general lists or lists for specific
5 proposals or subject areas.

6 (2)(a) Except as otherwise provided in (b) of this subsection, if
7 the legislative body for a county or city chooses to consider a
8 change to an amendment to a comprehensive plan or development
9 regulation, and the change is proposed after the opportunity for
10 review and comment has passed under the county's or city's
11 procedures, an opportunity for review and comment on the proposed
12 change shall be provided before the local legislative body votes on
13 the proposed change.

14 (b) An additional opportunity for public review and comment is
15 not required under (a) of this subsection if:

16 (i) An environmental impact statement has been prepared under
17 chapter 43.21C RCW for the pending resolution or ordinance and the
18 proposed change is within the range of alternatives considered in the
19 environmental impact statement;

20 (ii) The proposed change is within the scope of the alternatives
21 available for public comment;

22 (iii) The proposed change only corrects typographical errors,
23 corrects cross-references, makes address or name changes, or
24 clarifies language of a proposed ordinance or resolution without
25 changing its effect;

26 (iv) The proposed change is to a resolution or ordinance making a
27 capital budget decision as provided in RCW 36.70A.120; or

28 (v) The proposed change is to a resolution or ordinance enacting
29 a moratorium or interim control adopted under RCW 36.70A.390.

30 (3) This section is prospective in effect and does not apply to a
31 comprehensive plan, development regulation, or amendment adopted
32 before July 27, 1997.

--- END ---

ENGROSSED SUBSTITUTE SENATE BILL 5048

State of Washington

64th Legislature

2015 Regular Session

By Senate Government Operations & Security (originally sponsored by Senators Chase, Roach, Hatfield, and Miloscia)

READ FIRST TIME 02/11/15.

1 AN ACT Relating to the referendum of assumptions of water-sewer
2 districts by cities and towns; and adding new sections to chapter
3 35.13A RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 35.13A
6 RCW to read as follows:

7 (1) Except as provided otherwise by subsection (4) of this
8 section, a resolution or ordinance adopted by the legislative body of
9 a city to assume jurisdiction of all or part of a water-sewer
10 district under this chapter is subject to a referendum. If a city has
11 adopted a resolution or ordinance to assume jurisdiction of all or
12 part of a water-sewer district under this chapter on or after January
13 1, 2014, the city shall adopt a resolution or ordinance confirming
14 the assumption, which must be treated in the same manner as a
15 resolution or ordinance to assume jurisdiction of all or part of a
16 water-sewer district and is subject to a referendum as described in
17 this section. Any referendum petition to repeal the assumption
18 resolution or ordinance must be filed with the county auditor within
19 ten days of passage of the resolution or ordinance. Within ten days
20 of the filing of a petition, the county auditor must confer with the
21 petitioner concerning the form and style of the petition, issue an

1 identification number for the petition, and write a ballot title for
2 the measure. The ballot title must be posed as a question so that an
3 affirmative answer to the question and a majority affirmative vote on
4 the measure results in approval of the proposed assumption, and a
5 negative answer to the question and a majority negative vote on the
6 measure results in the assumption being barred. The petitioner must
7 be notified of the identification number and ballot title within this
8 ten-day period. After this notification, the petitioner has forty-
9 five days in which to secure on petition forms the signatures of at
10 least ten percent of the number of voters residing in the part of the
11 water-sewer district subject to the assumption resolution or
12 ordinance who voted in the most recent general election, and file the
13 signed petitions with the county auditor. Each petition form must
14 contain the ballot title and full text of the measure to be referred.
15 The county auditor must verify the sufficiency of the signatures on
16 the petitions.

17 (2) If sufficient valid signatures on the petitions are properly
18 submitted, the county auditor must submit the referendum measure to
19 the registered voters residing in the part of the water-sewer
20 district subject to the assumption resolution or ordinance in a
21 general or special election no later than one hundred twenty days
22 after the signed petition has been filed with the county auditor.
23 Elections must be conducted in accordance with general election law,
24 and the cost of the election must be borne by the city seeking
25 approval to assume jurisdiction of the water-sewer district. The city
26 must produce a local voters' pamphlet as provided in RCW 29A.32.210
27 through 29A.32.280.

28 (3) When a referendum petition is filed with the county auditor,
29 the assumption resolution or ordinance sought to be referred to the
30 voters, and any proceedings before a boundary review board under
31 chapter 36.93 RCW, are suspended from taking effect. Such suspension
32 terminates when: (a) There is a final determination of insufficiency
33 or untimeliness of the referendum petition; or (b) the assumption
34 resolution or ordinance so referred is approved by the voters at a
35 referendum election.

36 (4) If a city legislative authority assumes jurisdiction of all
37 or part of a water-sewer district through a contract with a water-
38 sewer district, or through an interlocal agreement with a water-sewer
39 district under chapter 39.34 RCW, the provisions of this section do
40 not apply.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.13A
2 RCW to read as follows:
3 A resolution or ordinance adopted by a city in accordance with
4 this chapter to assume jurisdiction of all or part of a district may
5 not take effect until forty-five or more days after its adoption.

--- END ---

ENGROSSED SUBSTITUTE HOUSE BILL 1410

State of Washington

64th Legislature

2015 Regular Session

By House Local Government (originally sponsored by Representatives Takko, Muri, Kilduff, Zeiger, Manweller, Pike, Stanford, and Condotta)

READ FIRST TIME 02/09/15.

1 AN ACT Relating to modifying provisions governing the competitive
2 bidding process of water-sewer districts; and amending RCW 57.08.050.

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

4 **Sec. 1.** RCW 57.08.050 and 2009 c 229 s 11 are each amended to
5 read as follows:

6 (1) All work ordered, the estimated cost of which is in excess of
7 (~~twenty~~) fifty thousand dollars, shall be let by contract and
8 competitive bidding. Before awarding any such contract the board of
9 commissioners shall publish a notice in a newspaper of general
10 circulation where the district is located at least once thirteen days
11 before the last date upon which bids will be received, inviting
12 sealed proposals for such work, plans and specifications which must
13 at the time of publication of such notice be on file in the office of
14 the board of commissioners subject to the public inspection. The
15 notice shall state generally the work to be done and shall call for
16 proposals for doing the same to be sealed and filed with the board of
17 commissioners on or before the day and hour named therein.

18 Each bid shall be accompanied by a certified or cashier's check
19 or postal money order payable to the order of the county treasurer
20 for a sum not less than five percent of the amount of the bid, or
21 accompanied by a bid bond in an amount not less than five percent of

1 the bid with a corporate surety licensed to do business in the state,
2 conditioned that the bidder will pay the district as liquidated
3 damages the amount specified in the bond, unless the bidder enters
4 into a contract in accordance with the bidder's bid, and no bid shall
5 be considered unless accompanied by such check, cash or bid bond. At
6 the time and place named such bids shall be publicly opened and read
7 and the board of commissioners shall proceed to canvass the bids and
8 may let such contract to the lowest responsible bidder upon plans and
9 specifications on file or to the best bidder submitting the bidder's
10 own plans and specifications. The board of commissioners may reject
11 all bids for good cause and readvertise and in such case all checks,
12 cash or bid bonds shall be returned to the bidders. If the contract
13 is let, then all checks, cash, or bid bonds shall be returned to the
14 bidders, except that of the successful bidder, which shall be
15 retained until a contract shall be entered into for doing the work,
16 and a bond to perform such work furnished with sureties satisfactory
17 to the board of commissioners in the full amount of the contract
18 price between the bidder and the commission in accordance with the
19 bid. If the bidder fails to enter into the contract in accordance
20 with the bid and furnish the bond within ten days from the date at
21 which the bidder is notified that the bidder is the successful
22 bidder, the check, cash, or bid bonds and the amount thereof shall be
23 forfeited to the district. If the bidder fails to enter into a
24 contract in accordance with the bidder's bid, and the board of
25 commissioners deems it necessary to take legal action to collect on
26 any bid bond required by this section, then the district shall be
27 entitled to collect from the bidder any legal expenses, including
28 reasonable attorneys' fees occasioned thereby. A low bidder who
29 claims error and fails to enter into a contract is prohibited from
30 bidding on the same project if a second or subsequent call for bids
31 is made for the project.

32 (2) As an alternative to requirements under subsection (1) of
33 this section, a water-sewer district may let contracts using the
34 small works roster process under RCW 39.04.155.

35 (3) Any purchase of materials, supplies, or equipment, with an
36 estimated cost in excess of forty thousand dollars, shall be by
37 contract. Any purchase of materials, supplies, or equipment, with an
38 estimated cost of less than fifty thousand dollars shall be made
39 using the process provided in RCW 39.04.190. Any purchase of
40 materials, supplies, or equipment with an estimated cost of fifty

1 thousand dollars or more shall be made by competitive bidding
2 following the procedure for letting contracts for projects under
3 subsection (1) of this section.

4 (4) As an alternative to requirements under subsection (3) of
5 this section, a water-sewer district may let contracts for purchase
6 of materials, supplies, or equipment with the suppliers designated on
7 current state agency, county, city, or town purchasing rosters for
8 the materials, supplies, or equipment, when the roster has been
9 established in accordance with the competitive bidding law for
10 purchases applicable to the state agency, county, city, or town. The
11 price and terms for purchases shall be as described on the applicable
12 roster.

13 (5) The board may waive the competitive bidding requirements of
14 this section pursuant to RCW 39.04.280 if an exemption contained
15 within that section applies to the purchase or public work.

--- END ---

SUBSTITUTE SENATE BILL 5350

State of Washington

64th Legislature

2015 Regular Session

By Senate Government Operations & Security (originally sponsored by Senators Roach and Hatfield)

READ FIRST TIME 02/04/15.

1 AN ACT Relating to water-sewer districts; amending RCW 57.08.016;
2 and adding a new section to chapter 57.20 RCW.

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

4 **Sec. 1.** RCW 57.08.016 and 2011 c 90 s 1 are each amended to read
5 as follows:

6 (1) ~~((There shall be no private sale of))~~Real property ~~((where~~
7 ~~the))~~with an estimated value ((exceeds the sum)) of five thousand
8 dollars or more may be sold by public sale only. Estimated value
9 shall be determined by the board of commissioners ~~((and))~~, based upon
10 a written appraisal report by a state-licensed or state-certified
11 real estate appraiser ((and broker advice as it considers
12 appropriate)), as described and governed by chapter 18.140 RCW, or a
13 written broker's price opinion, as defined in RCW 18.140.010 and
14 described in RCW 18.140.020. The appraisal report or broker's price
15 opinion must have been prepared less than six months prior to the
16 date of sale. Subject to the provisions of subsection (2) of this
17 section, no real property of the district shall be sold for less than
18 ninety percent of the value thereof. ~~((Where the estimated value of~~
19 ~~the real property exceeds five thousand dollars, value shall be~~
20 ~~established by a written broker price opinion made not more than six~~
21 ~~months prior to the date of sale by three disinterested real estate~~

1 ~~brokers licensed under the laws of the state or by one professionally~~
2 ~~designated real estate appraiser as defined in chapter 18.140 RCW.~~
3 ~~A))~~The broker price opinion ((shall be signed by))~~or the ((broker and~~
4 ~~an)) appraisal report must be ((signed by the appraiser and))~~ filed
5 with the secretary of the board of commissioners of the district, who
6 shall keep it at the office of the district open to public
7 inspection. ~~((Any))~~In addition to the requirements of RCW 57.08.015,
8 the notice of intention to sell such real property ((of the
9 ~~district)) shall recite the estimated value ((or, if an appraisal has~~
10 ~~been made, the appraised value thereof))~~and refer to the appraisal
11 report or the broker's price opinion, as applicable.

12 (2) If no purchasers can be obtained for the real property at
13 ninety percent or more of its estimated ~~((or appraised))~~ value
14 ~~((after))~~within one hundred twenty days of ~~((offering the property~~
15 ~~for sale))~~publication of the initial notice of intention to sell, the
16 board of commissioners of the district may adopt a resolution stating
17 that the district has been unable to sell the property at the ninety
18 percent ~~((amount))~~or more of the estimated value. The district then
19 may sell the property at the highest price it can obtain at public
20 auction. A notice of intention to sell at public auction shall be
21 published once a week for two consecutive weeks in a newspaper of
22 general circulation in the district. The notice shall describe the
23 real property, state the time and place at which it will be offered
24 for sale ~~((and))~~at public auction, state the minimum opening bid, if
25 any, state the terms and conditions of sale~~((, and shall call for~~
26 ~~bids, fix the conditions thereof)),~~ and reserve the right to reject
27 any and all bids for good cause.

28 NEW SECTION. Sec. 2. A new section is added to chapter 57.20
29 RCW to read as follows:

30 (1) The board of commissioners of a district that had an annual
31 operating budget of five million dollars or more in each of the
32 preceding three years may by resolution adopt a policy to issue its
33 own warrants for payment of claims or other obligations of the
34 district. The board of commissioners, after auditing all payrolls and
35 bills, may authorize the issuing of one general certificate to the
36 county treasurer, to be signed by the president of the board of
37 commissioners, authorizing the county treasurer to pay all the
38 warrants specified by date, number, name, and amount, and the

1 accounting funds on which the warrants are drawn. The district may
2 then issue the warrants specified in the general certificate.

3 (2) The board of commissioners of a district that had an annual
4 operating budget of greater than two hundred fifty thousand dollars
5 and under five million dollars in each of the preceding three years
6 may upon agreement between the county treasurer and the district
7 commission, with approval of the district commission by resolution,
8 adopt a policy to issue its own warrants for payment of claims or
9 other obligations of the district. The board of commissioners, after
10 auditing all payrolls and bills, may authorize the issuing of one
11 general certificate to the county treasurer, to be signed by the
12 president of the board of commissioners, authorizing the county
13 treasurer to pay all the warrants specified by date, number, name,
14 and amount, and the accounting funds on which the warrants are drawn.
15 The district may then issue the warrants specified in the general
16 certificate.

--- END ---