

Chapter 87.28 RCW
REVENUE BONDS FOR WATER, POWER, DRAINS, ETC.

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RCW 87.28.005 "County treasurer," "treasurer of the county," defined. As used in this chapter, in accordance with RCW 87.03.440, the term "county treasurer" or "treasurer of the county" or other reference to that office means the treasurer of the district, if the district has designated its own treasurer, unless the context clearly requires otherwise. [1979 ex.s. c 185 § 17.]

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.010 Revenue bonds authorized. The board of directors of any irrigation district in this state which is furnishing or may furnish irrigation water, domestic water, electric power, drainage or sewerage services for which rates or tolls and charges are imposed or contract payments made, or any combination of such services, shall have authority to issue and sell bonds of the district payable from revenues derived from district rates or tolls and charges or contract payments for such service or services, and to pledge such revenues from one or more of such services for the payment and retirement of bonds issued for irrigation water, domestic water, electric power, and drainage or sewer improvements: PROVIDED, That nothing in this section shall authorize a district which is not on March 8, 1973, engaged in providing electrical service permission to pledge revenue from water and sewer service to support the issuance of revenue bonds for the acquisition or construction of electrical power facilities other than

those authorized by RCW 87.03.015(1), as now or hereafter amended. [1979 ex.s. c 185 § 8; 1973 c 74 § 1; 1949 c 57 § 1; Rem. Supp. 1949 § 7434-10.]

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.015 Interest bearing warrants authorized—Form, covenants, issuance and sale. Irrigation districts may also issue interest bearing warrants to provide interim financing pending the issuance of district revenue bonds. The items, form and content, and the manner of the issuance and sale of such interest bearing warrants as well as any covenants for the redemption of such warrants shall be established by resolution of the district's board of directors. Such warrants may be in any form, including bearer warrants or registered warrants as provided in RCW 39.46.030. Such warrants may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 236; 1979 ex.s. c 185 § 18.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.020 Form and terms of bonds. (1) Said bonds shall be in such form as the board of directors shall determine; shall be in bearer form or registered as to principal or interest or both as provided in RCW 39.46.030, and may provide for conversion between registered and coupon bonds; shall be in such denominations, shall be numbered, shall bear such date and shall be payable at such time or times up to a maximum of not to exceed forty years as shall be determined by the board of directors; shall bear interest at such rate or rates, payable at such time or times as authorized by the board of directors; shall be payable at the office of the county treasurer of the county in which the principal office of the district is located or at such other place as the board of directors shall provide and specify in the bonds; shall be executed by the president of the board of directors and attested and sealed by the secretary thereof and may have facsimile signatures of the president and secretary imprinted on any interest coupons in lieu of original signatures and the facsimile seal of the district and the facsimile signature of either the president or the secretary on the bonds in lieu of a manual signature. Said bonds may provide that the same or any part thereof at the option of the board of directors may be redeemed in advance of maturity on any interest payment date upon the terms and conditions established by the board, may include in the amount of the issue funds for the purpose of paying interest on the bonds during the period of construction of the facility being financed by the proceeds of the bonds, and may include in the amount of the issue funds for the purpose of establishing, maintaining, or increasing reserves in the manner, for the purposes, and subject to the restrictions set forth in RCW 39.44.140.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 § 237; 1979 ex.s. c 185 § 9; 1973 c 74 § 2; 1970 ex.s. c 56 § 99; 1969 ex.s. c 232 § 58; 1949 c 57 § 2; Rem. Supp. 1949 § 7434-11.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

Facsimile signatures: RCW 39.44.100.

RCW 87.28.030 Bonds payable only from special funds—Lien on revenues. The board of directors of the issuing district shall have authority and is required to create a special fund or funds to be carried in said county treasurer's office for the account of the district for the sole purpose of paying the interest and principal of such bonds. The board of directors of the issuing district shall obligate and bind the district to set aside and pay into such special fund or funds a fixed proportion, or any fixed amount of and not exceeding a fixed proportion of, or a fixed amount or amounts without regard to any fixed proportion of the gross revenues from the charges made by the district for the irrigation water, domestic water, the electric power, drainage, or sewer service, or any combination of such services as the case may be, for which the bonds are issued, and such bonds and the interest thereon shall be payable only out of such special fund or funds but shall be a lien and charge against all revenues received for the service or services the revenues of which are pledged to such fund or funds and payments received from any utility local improvement district or districts pledged to secure such bonds, subject only to operating and maintenance expenses of such service. [1979 ex.s. c 185 § 10; 1973 c 74 § 3; 1949 c 57 § 3; Rem. Supp. 1949 § 7434-12.]

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.035 Determining amount payable into special funds. In creating such special fund or funds the board of directors of the district shall have due regard for the cost of the operation and maintenance of the district system required by the district to furnish said irrigation water, domestic water, electric power, drainage, or sewer service, as the case may be, and shall not set aside into such special fund a greater amount or proportion of the revenue of such service or services, than, in its judgment, will be available over and above such cost of maintenance and operation and the amount or proportion, if any, of the revenue previously pledged to such special

fund or funds. [1979 ex.s. c 185 § 11; 1949 c 57 § 4; Rem. Supp. 1949 § 7434-13. Formerly RCW 87.28.080.]

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.040 Bonds do not constitute general debt of district. Any such bonds, and interest thereon, issued against a special fund as herein provided shall be a valid claim of the owner thereof only as against said special fund or funds and its fixed proportion or amount of the revenue pledged to such fund or funds and shall not constitute a general indebtedness against the issuing irrigation district. Each such bond shall state upon its face that it is payable from a special fund or funds only, naming the special fund or funds and the resolution creating the fund or funds. [1983 c 167 § 238; 1979 ex.s. c 185 § 12; 1949 c 57 § 5; Rem. Supp. 1949 § 7434-13a.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.070 Sale of bonds. (1) Such revenue bonds shall be sold in such manner as the board of directors shall deem for the best interests of the irrigation district, either at public or at private sale and at any price and at any rate or rates of interest, but if the board of directors shall dispose of said bonds in exchange for construction of improvements or for materials, such bonds shall not be disposed of for less than par for value received by the district.

(2) Notwithstanding subsection (1) of this section, such bonds may be sold in accordance with chapter 39.46 RCW. [1983 c 167 § 239; 1970 ex.s. c 56 § 100; 1969 ex.s. c 232 § 59; 1949 c 57 § 6; Rem. Supp. 1949 § 7434-14.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

RCW 87.28.090 Board to set rates to provide necessary revenues. The board of directors of any irrigation district issuing such revenue bonds shall provide for revenues by fixing rates and charges for furnishing the service involved as the board shall deem necessary, in the manner provided by law and as fixed by resolution, the total revenues to be so estimated and determined as to be sufficient to take care of costs of maintenance, operation interest and principal amortization requirements and other charges involved. [1949 c 57 § 7; Rem. Supp. 1949 § 7434-15.]

Assessments and levies: RCW 87.03.240 through 87.03.305.

RCW 87.28.100 Fixed share of revenues must be paid into special fund. When a special fund has been created and bonds have been issued as herein provided, the fixed proportion or amount of the revenues pledged to the payment of the bonds and interest shall be set aside and paid into the special fund monthly as collected, as provided in the resolution creating the fund, and in case any irrigation district shall fail thus to set aside and pay said fixed proportion or amount as aforesaid, the owner of any bond against the special fund may bring appropriate court action against the district and compel such setting aside and payment. [1983 c 167 § 240; 1979 ex.s. c 185 § 13; 1949 c 57 § 8; Rem. Supp. 1949 § 7434-16.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.103 Election on proposed bond issue—Exception. When the directors of the district have decided to issue revenue bonds as herein provided, they shall call a special election in the irrigation district at which election shall be submitted to the electors thereof possessing the qualifications prescribed by law the question whether revenue bonds of the district in the amount and payable according to the plan of payment adopted by the board and for the purposes therein stated shall be issued. The election shall be called, noticed, conducted, and canvassed in the same manner as provided by law for irrigation district elections to authorize an original issue of bonds payable from revenues derived from annual assessments upon the real property in the district: PROVIDED, That the board of directors shall have full authority to issue revenue bonds as herein provided payable within a maximum period of forty years without a special election. [2013 c 177 § 11; 1979 ex.s. c 185 § 14; 1949 c 57 § 9; Rem. Supp. 1949 § 7434-17. Formerly RCW 87.28.050.]

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

Bonds, election for, etc.: RCW 87.03.200.

Qualification of voters: RCW 87.03.045.

RCW 87.28.108 Payment of bonds—Covenants for securing authorized—Scope. The board of directors may make such covenants as it may deem necessary to secure and guarantee the payment of the principal of and interest on revenue bonds of the district, including but not being limited to covenants for: The establishment and maintenance of adequate reserves to secure or guarantee the payment of such principal and interest; the protection and disposition of the proceeds of sale of such bonds; the use and disposition of the gross revenues of the service or services of the district providing revenues

for the payment of such bonds and any additions or betterments thereto or extensions thereof; the use and disposition of any utility local improvement district assessments; the creation and maintenance of funds for renewals and replacements of the service or services providing revenues for the payment of such bonds; the establishment and maintenance of rates and charges adequate to pay principal and interest of such bonds and to maintain adequate coverage over debt service; the maintenance, operation, and management of the service or services providing revenues for the payment of such bonds and the accounting, insuring, and auditing of the business in connection therewith; the terms upon which such bonds or any of them may be redeemed at the election of the district; limitations upon the right of the district to dispose of its service or services providing revenues for the payment of such bonds or any part thereof; the appointment of trustees, depositaries, and paying agents to receive, hold, disburse, invest, and reinvest all or any part of the income, revenue, and receipts of the district; and the board of directors may make such other covenants as it may deem necessary to accomplish the most advantageous sale of such bonds. The board of directors may also provide that revenue bonds payable out of the same source or sources may later be issued on a parity with any revenue bonds being issued and sold. [1979 ex.s. c 185 § 21.]

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.110 Payment of bonds. Said county treasurer shall have authority to pay said bonds and any appurtenant coupons in accordance with their terms from any moneys on hand in said special fund and when said bonds with interest have been fully paid, any moneys remaining in the fund shall be transferred to the expense fund of the district and the special fund closed. [1983 c 167 § 241; 1949 c 57 § 11; Rem. Supp. 1949 § 7434-19.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

RCW 87.28.120 Objects executed by resolution—Determining legality of proceedings. The board of directors of the issuing district shall have full authority by resolution to carry out the objects of this chapter in accordance with the provisions hereof and the same shall be liberally construed. The court shall have full jurisdiction under the irrigation district law to examine and determine the legality of the proceedings held to authorize and dispose of such revenue bonds, in the same manner and with the same legal effect as that provided in the case of other bonds of the district. [1949 c 57 § 12; Rem. Supp. 1949 § 7434-20. Formerly RCW 87.28.120 and 87.28.130.]

Bonds: RCW 87.03.200 through 87.03.235.

RCW 87.28.150 Refunding revenue bonds authorized—Revenue bond redemption fund established—Use. The board of directors of any

irrigation district may, by resolution, without submitting the matter to the voters of the district, provide for the issuance of refunding revenue bonds to refund one or more of the following: Outstanding assessment bonds, revenue bonds, contracts with the United States or state of Washington, or any part thereof, and all outstanding local improvement district bonds, at maturity thereof, or before maturity thereof if they are subject to call for prior redemption or if all of the owners thereof consent thereto. The refunding bonds shall be issued in the manner and for the purposes set forth in chapter 39.53 RCW.

Whenever district bonds or contracts payable in whole or part from assessments have been refunded pursuant to this section, all assessments remaining unpaid shall thereafter when collected be paid into the revenue bond redemption fund established for payment of the refunding revenue bonds, and the cash balances, if any, in the reserve or guaranty funds for such refunded bonds and the proceeds received from any other assets owned by such funds shall be used in whole or in part as a reserve or guaranty fund for the refunding revenue bonds or be transferred in whole or in part to any other funds of the district as the board of directors may determine. In the event that any warrants are outstanding against the local improvement guaranty fund of the district at the time of the issuance of such refunding revenue bonds, said bonds shall be issued in an amount sufficient also to fund and pay such outstanding warrants. [1983 c 167 § 242; 1979 ex.s. c 185 § 22.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.200 Utility local improvement districts—Authorized—Special assessments—Limitations. Any irrigation district shall have the power to establish utility local improvement districts within its territory and to levy special assessments within such utility local improvement districts in the same manner as provided for irrigation district local improvement districts: PROVIDED, That it must be specified in any petition for the establishment of a utility local improvement district that the sole purpose of the assessments levied against the real property located within the utility local improvement district shall be the payment of the proceeds of those assessments into a revenue bond fund for the payment of revenue bonds, that no warrants or bonds shall be issued in any such utility local improvement district, and that the collection of interest and principal on all assessments in such utility local improvement district, when collected, shall be paid into that revenue bond fund, except that special assessments paid before the issuance and sale of bonds may be deposited in a fund for the payment of costs of improvements in the utility local improvement district. [2013 c 177 § 12; 1979 ex.s. c 185 § 19.]

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

RCW 87.28.210 Utility local improvement districts—Conversion of local improvement districts to. The board of directors of any irrigation district may by resolution convert any then existing local improvement district into a utility local improvement district at any time prior to the adoption of a resolution approving and confirming the initial assessment roll of such local improvement district. The resolution so converting the local improvement district shall provide for the payment of the special assessments levied in that district into the special fund established or to be established for the payment of revenue bonds issued to defray the cost of the local improvement district. [1979 ex.s. c 185 § 20.]

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.