

# Initiative to the Legislature No. 1

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## BALLOT TITLE

"AN ACT authorizing the establishment of public utility districts; providing for the construction, purchase, condemnation, acquisition, regulation, maintenance and operation thereby of plants, properties and facilities for the development and distribution of water and electricity for all purposes; authorizing such districts to levy taxes and to create local assessment districts for the accomplishment of said purposes, and defining the powers and duties of such public utility districts and of certain officers in connection therewith."

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AN ACT relating to and authorizing the establishment of public utility districts, and the consolidation thereof and annexation thereto; providing for the construction, purchase, condemnation and purchase, acquisition, maintenance, conducting, operation, development and regulation by such districts of certain kinds of public utilities; providing methods of payment therefor; and providing for the creation of local assessment districts by, and defining, prescribing and regulating the powers, duties and government of, such utility districts.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. The purpose of this act is to authorize the establishment of public utility districts to conserve the water and power resources of the State of Washington for the benefit of the people thereof, and to supply public utility service, including water and electricity for all uses.

SEC. 2. Municipal corporations, to be known as public utility districts, are hereby authorized for the purposes of this act and may be established within the limits of the State of Washington, as provided herein.

SEC. 3. At any general election the Board of County Commissioners of any county in this state may, or on petition of ten (10%) per cent of the qualified electors of such county, based on the total vote cast in the last general

county election, shall, by resolution, submit to the voters of such county the proposition of creating a public utility district which shall be coextensive with the limits of such county as now or hereafter established. Such petition shall be filed with the County Auditor, who shall within fifteen days examine the signatures thereof and certify to the sufficiency or insufficiency thereof, and for such purpose the County Auditor shall have access to all registration books in the possession of election officers within such county. If such petition be found to be insufficient, it shall be returned to the persons filing the same, who may amend or add names thereto for ten days, when the same shall be returned to the County Auditor, who shall have an additional fifteen days to examine the same and attach his certificate thereto. No person having signed such petition shall be allowed to withdraw his name therefrom after the filing of the same with the County Auditor. Whenever such petition shall be certified to as sufficient, the County Auditor shall forthwith transmit the same, together with his certificate of sufficiency attached thereto, to the Board of County Commissioners, who shall thereupon immediately transmit such proposition to the Election Board of such county, and it shall be the duty of such county election board to submit such proposition to the voters at the next general election. The notice of the election shall state the boundaries of the proposed public utility district and the object of such election.

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and shall in other respects conform to the requirements of the general laws of the State of Washington, governing the time and manner of holding elections. In submitting the said question to the voters for their approval or rejection, the proposition shall be expressed on said ballot substantially in the following terms:

Public Utility District No..... YES

Public Utility District No..... NO

Any petition for the formation of a public utility district may describe a less area than the entire county in which the petition is filed, the boundaries of which shall follow the then existing precinct boundaries and not divide any voting precinct; and in the event that such a petition is filed the Board of County Commissioners shall fix a date for a hearing on such petition, and shall publish the petition, without the signatures thereto appended, for two weeks prior to the date of the hearing, together with a notice stating the time of the meeting when such petition will be heard. Such publication, and all other publications required by this act, shall be in a newspaper published in the proposed or established public utility district, or, if there be no such newspaper, then in a newspaper published in the county in which such district is situated, and of general circulation in such county. The hearing on such petition may be adjourned from time to time, not exceeding four weeks in all. If upon the final hearing the Board of County Commissioners shall find that any lands have been unjustly or improperly included within the proposed public utility district and will not be benefited by inclusion therein, the said board shall change and fix the boundary lines in such manner as it shall deem reasonable and just and conducive to the public welfare and convenience, and make and enter an order establishing and defining the boundary lines of the proposed public utility district: *Provided*, That no lands shall be included within the boundaries so fixed lying outside the boundaries described in the petition, except upon the written request of the owners of such lands. Thereafter the same procedure shall be followed as prescribed in this act for the formation of a

public utility district including an entire county, except that the petition and election shall be confined solely to the lesser public utility district.

SEC. 4. Within five days after such election, the Election Board of the county shall canvass the returns, and if at such election a majority of the voters voting upon such proposition shall vote in favor of the formation of such district, the Election Board shall so declare in its canvass of the returns of such election, and such public utility district shall then be and become a municipal corporation of the State of Washington, and the name of such public utility district shall be Public Utility District No..... of .....County. The powers of the public utility district shall be exercised through a commission consisting of three members, one from each of the three county commissioner districts of the county in which the public utility district is located, when the public utility district is coextensive with the limits of such county. When the public utility district comprises only a portion of the county, three commissioner districts, numbered consecutively, having approximately equal population and boundaries, following ward and precinct lines, as far as practicable, shall be described in the petition for the formation of the public utility district, and one commissioner shall be elected from each of said commissioner districts. No person shall be eligible to hold the office of Public Utility District Commissioner unless he is a qualified voter and a freeholder within such public utility district, and is and has been a resident for a period of three years, except as hereinafter provided, of the commissioner district from which he is elected.

Public Utility District Commissioners shall hold office for the term of three (3) years and until their respective successors are elected and qualified, each term to commence on the fourth Tuesday in March in each year in Class A counties and counties of the first class, and in all other counties on the second Monday in January in each year, following the election thereto. At the same election at which the proposition is submitted to the voters as to whether a public utility district shall be formed, three (3) commissioners shall be elected to

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hold office, respectively, for the term of one, two and three years. All candidates shall be voted upon by the entire public utility district, and the candidate residing in commissioner district number one receiving the highest number of votes in the public utility district shall hold office for the term of three (3) years; and the candidate residing in commissioner district number two receiving the highest number of votes in the public utility district shall hold office for the term of two (2) years, and the candidate residing in commissioner district number three receiving the highest number of votes in the public utility district shall hold office for the term of one (1) year, each of said terms to date from the times specified in this section following the election, but also to include the period intervening between the election and the beginning of the regular terms specified in this section. All expenses of elections for the formation of such public utility districts shall be paid by the county holding such election, and such expenditure is hereby declared to be for a county purpose, and the money paid out for such purpose shall be repaid to such county by the public utility district, if formed. Nominations for Public Utility District Commissioners shall be by petition signed by one hundred (100) qualified electors of the public utility district to be filed in the office of the County Auditor not more than sixty (60) days, and not less than thirty (30) days prior to the day of such election: *Provided, however,* That in any public utility district having a population of less than four thousand, such nominating petition shall be signed by a number of qualified electors equaling ten (10) per cent or more of the qualified electors of the public utility district. A vacancy in the office of public utility district commissioner shall occur by death, resignation, removal, conviction of a felony, non-attendance at meetings of the public utility district commission for a period of sixty (60) days unless excused by the public utility district commission, by any statutory disqualification, or by any permanent disability preventing the proper discharge of his duty. In the event of a vacancy in said office such vacancy shall be filled at the next general election, the vacancy in the interim to be filled by ap-

pointment by the remaining commissioners. If there should be at the same time such number of vacancies that there are not in office a majority of the full number of commissioners fixed by law, a special election shall be called by the county election board upon the request of the remainder, or, that failing, by the county election board, such election to be held not more than forty (40) days after the occurring of such vacancies.

A majority of the persons holding the office of public utility district commissioner at any time shall constitute a quorum of the commission for the transaction of business, and the concurrence of a majority of the persons holding such office at the time shall be necessary and shall be sufficient for the passage of any resolution, but no business shall be transacted unless there are in office at least a majority of the full number of commissioners fixed by law.

The boundaries of the commissioners' districts shall not be changed oftener than once in four (4) years, and only when all members of the commission are present: *Provided,* That any proposed change therein must be made by resolution and notice of the time of a public hearing thereon shall be published for two (2) weeks prior thereto: *And provided further,* That upon a referendum petition signed by six per cent (6%) of the qualified voters of the public utility district being filed with the clerk, the commission shall submit such proposed change to the voters of the public utility district for their approval or rejection. The checking of said petition as to its sufficiency or insufficiency shall be governed by the provisions in this act relating thereto.

SEC. 5. The term general election as used in this act shall be held and construed to mean biennial general elections at which state and county officers are elected, and also public utility district elections for the election of commissioners. Public utility district elections for the election of commissioners held in Class A counties and counties of the first class shall be held on the second Tuesday in March in each year, and in all other counties on the first Saturday in December in each year. The election board of the county shall give notice of all elections

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held under the provisions of this act for the time and in the manner and form provided by law for city, school district and port district elections. Whenever in the judgment of the election board of the county an emergency exists, and such board is requested so to do by a resolution of the public utility district commission, it may call a special election at any time in such public utility district, and at such special election said board may combine, unite or divide precincts for the purpose of holding such special election, and every such special election so called shall be conducted and notice thereof given in the manner provided by law.

The chairman of the board of county commissioners, the county auditor and the prosecuting attorney of the county in which the election is held shall constitute an election board for all elections held under the provisions of this act; and it shall be the duty of such board to provide polling places for holding elections under this act, to appoint the election officers, to provide their compensation, to provide ballot boxes, and ballots or voting machines, poll books and tally sheets, and deliver them to the election officers at the polling places, to publish and post notices of calling such elections in the manner provided by law, and to apportion to the public utility district its share of the expense of holding such election.

The election officers appointed by the election board of the county shall conduct such elections and shall receive and deposit ballots cast thereat in a separate ballot box, and shall count said ballots and make returns thereof to the election board of the county, which board shall constitute a canvassing board for all elections held under the provisions of this act. The manner of conducting and voting at elections under this act, opening and closing of polls, keeping of poll lists, canvassing the votes, declaring the result, and certifying the returns, shall be the same as provided by the general election laws governing the election of state and county officers, except as otherwise provided in this act.

The public utility district commission shall certify to the election board a list of offices to be filled at any election to be held under the provisions

of this act, and such commission, if it desires to submit to the voters of such public utility district any proposition for their approval or adoption, or rejection, at any election held under the provisions of this act, shall require the secretary of such commission to certify the same to the election board at the time and in the manner and form now provided by law for certifying propositions to said board by the governing boards of cities, towns and port districts.

SEC. 6. All public utility districts organized under the provisions of this act shall have power:

(a) To make a survey of hydro-electric power, irrigation and domestic water supply resources within or without the district, and to compile comprehensive maps and plans showing the territory that can be most economically served by the various resources and utilities, the natural order in which they should be developed, and how they may be joined and coordinated to make a complete and systematic whole;

(b) To construct, condemn and purchase, purchase, acquire, lease, add to, maintain, operate, develop and regulate all lands, property, property rights, water, water rights, dams, ditches, flumes, aqueducts, pipes and pipe lines, water power, leases, easements, rights of way, franchises, plants, plant facilities and systems for generating electric energy by water power, steam or other methods, plant, plant facilities and systems for developing, conserving and distributing water for domestic use and irrigation, buildings, structures, poles and pole lines, and cables and conduits and any and all other facilities, and to exercise the right of eminent domain to effectuate the foregoing purposes or for the acquisition and damaging of the same or property of any kind appurtenant thereto, and for the purpose of acquiring the right to make physical connection with plants and plant facilities of any and all persons, corporations and municipalities, and such right of eminent domain shall be exercised and instituted pursuant to resolution of the commission and conducted in the same manner and by the same procedure as is or may be provided by law for the exercise of the power of eminent domain by incor-

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porated cities and towns of the State of Washington in the acquisition of like property and property rights. It shall be no defense to a condemnation proceeding hereunder that a portion of the electric current generated or sold by such public utility district will be applied to private purposes provided the principal uses intended are public: *Provided*, That no public utility owned by a city or town shall be condemned hereunder, and none shall be purchased without submission of the question to the voters of the utility district. In any condemnation proceeding under this act, the court shall submit to the jury the values placed upon such property by the county assessor or other taxing authority, for taxation purposes, and in respect to property, plants and facilities of persons and corporations using public highways for the furnishing of public service without franchises, shall consider in determining the value thereof the fact that such property, plants and facilities are subject to be removed from such highways by reason of being so operated without such franchises.

(c) To construct, purchase, condemn and purchase, acquire, add to, maintain, conduct and operate water works and irrigation plants and systems, within or without its limits, for the purpose of furnishing such public utility district, and the inhabitants thereof, and any other persons, including public and private corporations within or without its limits with an ample supply of water for all uses and purposes, public and private, including water power, domestic use and irrigation, with full and exclusive authority to sell and regulate and control the use, distribution and price thereof.

(d) To purchase, within or without its limits, electric current for sale and distribution within or without its limits, and to construct, condemn and purchase, purchase, acquire, add to, maintain, conduct and operate works, plants, transmission and distribution lines and facilities for generating electric current, operated either by water power, steam or other methods, within or without its limits, for the purpose of furnishing said public utility district, and the inhabitants thereof and any other persons, including public and private corporations, within or without its limits, with electric cur-

rent for all uses, with full and exclusive authority to sell and regulate and control the use, distribution, rates, service, charges and price thereof free from the jurisdiction and control of the director of public works and division of public utilities, in all things, together with the right to purchase, handle, sell or lease motors, lamps, transformers and any and all other kinds of equipment and accessories of every nature and kind whatsoever necessary and convenient for the use, distribution and sale thereof: *Provided*, That the commission shall not supply water to a privately owned utility for the production of electric energy, and may supply, directly or indirectly, to privately owned public utilities which sell electric energy or water to the public, any of the surplus electric energy or water under its control, and contracts therefor shall not extend over a longer period than three (3) years: *Provided*, That it must at all times first make adequate provision for the needs of the district, both actual and prospective.

(e) And for the purposes aforesaid it shall be lawful for any public utility district so organized to take, condemn and purchase, purchase, and acquire any and all public and private property, franchises and property rights, including state, county and school lands, and property and littoral and water rights, for any of the purposes aforesaid, and for railroads, tunnels, pipe lines, aqueducts, transmission lines, and any and all other facilities necessary or convenient, and, in connection with the construction, maintenance or operation, of any such utility or utilities, to acquire by purchase or condemnation and purchase the right to divert, take, retain and impound and use water from or in any lake or watercourse, regardless of whether such lake or watercourse or the water therein be public or private, navigable or non-navigable, or held, owned or used by the state, or any subdivision thereof, or by any person or corporation for any public or private use, proprietary or governmental, or any under-flowing water within the state; and such public utility district is hereby authorized and empowered to erect and build, within or without its limits, dams or other works across any river or watercourse, or across or

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at the outlet of any lake, up to and above high water mark; and, for the purpose of constructing or laying aqueducts or pipe lines, dams or waterworks or other necessary structures in storing, retaining and distributing water as above provided, or for any of the purposes provided for by this act, such public utility district shall have the right to occupy and use the beds and shores up to the high water mark of any such lake, river or watercourse and to acquire by purchase or by condemnation and purchase, or otherwise, any water, water rights, easements or privileges named in this act or necessary for any of said purposes, and any such public utility district shall have the right to acquire by purchase or condemnation and purchase, or otherwise, any lands, property or privileges necessary to be had to protect the water supply of such public utility district. from pollution: *Provided*, That should private property be necessary for any such purposes, or for storing water above high water mark, such public utility district may condemn and purchase or purchase and acquire such private property. Such public utility district shall have the power to build and maintain inter-tie lines connecting its power plant and distribution system with the power plant and distribution system owned by any other public utility district, or municipal corporation, or to connect with the power plants and distribution systems owned by any municipal corporation in the district, and from any such inter-tie line to sell electric energy to any individual, or public utility district, or any city or town, or other corporations, public or private, and, by means of transmission or pole lines, to conduct electric energy from the place of production to the point of distribution, and to construct and lay said aqueducts, pipe or pole lines, and transmission lines along and upon public highways, roads and streets, and to condemn and purchase, purchase or acquire, lands, franchises and rights of way necessary for the same.

(f) To contract indebtedness or borrow money for corporate purposes on the credit of the corporation or the revenues of the public utilities thereof, and to issue general obligation or utility bonds therefor, bearing interest at a rate not exceeding six per cent

per annum, payable semi-annually, said bonds not to be sold for less than par and accrued interest; to purchase with surplus funds, local utility district bonds of districts created by the commission and sell the same giving preference to residents of the district, and to create a revolving fund to insure the prompt payment of all local utility district bonds.

(g) To raise revenue by the levy of an annual tax on all taxable property within such public utility district not exceeding two mills in any one year, exclusive of interest and redemption for general obligation bonds. The Commission shall prepare a proposed budget of the contemplated financial transactions for the ensuing year and file the same in the records of the Commission on or before the first Monday in September. Notice of the filing of said proposed budget and the date and place of hearing on the same shall be published for at least two consecutive weeks in a newspaper printed and of general circulation in said county. On the first Monday in October, the Commission shall hold a public hearing on said proposed budget at which any taxpayer may appear and be heard against the whole or any part of the proposed budget. Upon the conclusion of said hearing, the Commission shall, by resolution, adopt the budget as finally determined, and fix the final amount of expenditures for the ensuing year. Taxes levied by the Commission shall be certified to and collected by the proper county officer of the county in which such public utility district is located in the same manner as is or may be provided by law for the certification and collection of Port District taxes. The Commission is authorized, prior to the receipt of taxes raised by levy, to borrow money or issue warrants of the district in anticipation of the revenue to be derived by such district from the levy of taxes for the purpose of such district, and such warrants shall be redeemed from the first money available from such taxes when collected, and such warrants shall not exceed the anticipated revenues of one year, and shall bear interest at a rate of not to exceed six per cent per annum.

(h) To enter into any contract with the United States Government, or any state, municipality or other utility

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district, or any department of those governing bodies, for carrying out any of the powers authorized by this act.

(i) To acquire by gift, devise, bequest, lease or purchase, real and personal property necessary or convenient for the purposes of the district or any local district therein.

(j) To make contracts, employ engineers, attorneys and other technical or professional assistance; to print and publish information or literature and to do all other things necessary to carry out the provisions of this act.

The public utility district commission shall appoint a manager, who shall be appointed for an indefinite time and be removable at the will of the Commission. Appointments and removals shall be by resolution, introduced at a regular meeting and adopted at a subsequent regular meeting by a majority vote. He shall receive such salary as the Commission shall fix by resolution.

The manager shall be the chief administrative officer of the public utility district, and shall have control of administrative functions of the district, and shall be responsible to the Commission for the efficient administration of all the affairs of the district placed in his charge. He shall be an experienced executive with administrative ability. In case of the absence or temporary disability of the manager, he shall, with the approval of the president of the Commission, designate some competent person as acting manager.

The manager shall be entitled to attend all meetings of the Commission and its committees, and to take part in the discussion of any matters pertaining to the duties of his department, but shall have no vote.

The Public utility district Manager shall have power, and it shall be his duty:

To carry out the orders of the Commission, and to see that all the laws of the state pertaining to matters within the functions of his department are duly enforced.

To keep the Commission fully advised as to the financial condition and needs of the district. To prepare, each year, an estimate for the ensuing fiscal year of the probable expenses of his department, and to recommend to the

Commission what development work should be undertaken, and what extensions and additions, if any, should be made, during the ensuing fiscal year, with an estimate of the costs of such development work, extensions and additions. To certify to the Commission all bills, allowances and payrolls, including claims due contractors of public works. To recommend to the Commission salaries of the employes of his office, and a scale of salaries or wages to be paid for the different classes of service required by the district. To hire and discharge clerks, laborers and other employes under his direction. To perform such other duties as may be imposed upon him by resolution of the Commission. It shall be unlawful for him to make any contribution of money in aid of or in opposition to the election of any candidate for public utility commissioner or to advocate or oppose any such election.

(k) To sue and be sued in any court of competent jurisdiction: *Provided*, That all suits against the public utility district shall be brought in the county in which the public utility district is located. No suit for damages shall be maintained against such public utility district except on the basis of a claim therefor filed with the Commission of such district complying in all respects with the terms and requirements for claims for damages filed pursuant to general law against cities of the second class.

(l) By resolution to establish and define the boundaries of local assessment districts to be known as Local Utility District No. .... for the distribution, under the general supervision and control of the Commission, of water for domestic use and (or) irrigation and (or) electric energy, and in like manner to provide for the purchasing, or otherwise acquiring, or constructing and equipping distribution systems for said purposes and for extensions and betterments thereof, and to levy and collect in accordance with the special benefits conferred thereon, special assessments and re-assessments on property specially benefited thereby, for paying the cost and expense of the same, or any portions thereof, as herein provided, and to issue local improvement bonds and (or) warrants to be repaid wholly or

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in part by collection of local improvement assessments.

The Commission shall, by resolution, establish the method of procedure in all matters relating to local utility districts. Any public utility district may determine by resolution what work shall be done or improvements made at the expense, in whole or in part of the property specially benefited thereby; and to adopt and provide the manner, machinery and proceedings in any way relating to the making and collecting assessments therefor in pursuance of this act. Except as herein otherwise provided, or as may hereafter be set forth by resolution, all matters and proceedings relating to the local utility district, the levying and collection of assessments, the issuance and redemption of local improvement warrants and bonds, and the enforcement of local assessment liens hereunder, shall be governed, as nearly as may be, by the laws relating to local improvements for cities of the first class: *Provided*, That no protest against a local utility district improvement shall be received by the Commission after twelve o'clock noon of the day set for hearing.

Any improvement authorized by this act may be ordered only by resolution of the Commission either upon petition or resolution therefor. Whenever a petition, signed by ten per cent of the owners of land in the district to be therein described, shall be filed with the Commission, asking that the plan or improvement therein set forth be adopted and ordered, and defining the boundaries of a local improvement district to be assessed in whole or in part to pay the cost thereof, it shall be the duty of the Commission to fix the date of hearing on such petition, and give not less than two (2) weeks notice thereof by publication. The Commission may, in its discretion, deny such petition or order the improvement unless a majority of the owners of lands in said district shall file prior to 12:00 o'clock noon of the day of said hearing with Secretary thereof a petition protesting against said improvement; and if the Commission shall order the improvement, then it may alter the boundaries of such proposed district and prepare and adopt detail plans of any such local improvement, declare the estimated cost thereof, what pro-

portion of such cost shall be borne by such local improvement district, and what proportion of the cost, if any, shall be borne by the entire public utility district. Whenever such a petition signed by a majority of the landowners in such a proposed local improvement district shall be filed with the Commission, asking that the improvement therein described be ordered, the Commission shall forthwith fix a date for hearing on said petition, after which the Commission must, by resolution, order such improvement, and may alter the boundaries of such proposed district, prepare and adopt such improvement, prepare and adopt detail plans thereof, declare the estimated cost thereof, what proportion of such cost shall be borne by such proposed local improvement district, and what proportion of the cost, if any, shall be borne by the entire public utility district, and provide the general funds thereof to be applied thereto, if any, acquire all lands and other properties therefor, pay all damages caused thereby, and commence in the name of the public utility district such eminent domain proceedings and supplemental assessments or re-assessment proceedings to pay all eminent domain awards as may be necessary to entitle said district to proceed with such work, and shall thereafter proceed with such work, and shall make and file with the County Treasurer its roll levying special assessments in the amount to be paid by special assessment against the property situated within such local improvement district in proportion to the special benefits to be derived by the property in such local improvement district from such improvement. Before the approval of such roll, a notice shall be published ten (10) days stating that such roll is on file and open to inspection in the office of Secretary of the district, and fixing a time not less than fifteen (15) nor more than thirty (30) days from the date of the first publication of such notice, within which protests must be filed with Secretary of said district against any assessments shown thereon, and fixing a time when a hearing shall be held by said Commission on said protests. After such hearing the Commission may alter any and all assessments shown on such roll and may then, by resolution, approve the same,



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but if any assessment be raised, a new notice, similar to such first notice, shall be given, and a hearing had thereon, after which final approval of such roll may be made by the Commission. Any person feeling aggrieved by such assessments shall perfect an appeal to the Superior Court of such county within ten (10) days after such approval in the manner now provided by law for appeals from assessments levied by cities of the first class in this state. Engineering, office and other expenses necessary or incident to said improvement shall be borne by the public utility district: *Provided*, That where any municipal corporation included within such public utility district already owns or operates a utility of like character for which such assessments are levied hereunder, then all such engineering and other expenses mentioned above shall be borne by the local assessment district.

Whenever any improvement shall be ordered hereunder, payment for which shall be made in part from assessments against property specially benefited, not more than fifty per cent (50%) of the cost thereof shall ever be borne by the entire public utility district, nor shall any sum be contributed by it to any improvement acquired or constructed with or by any other body, exceed such amount, unless a majority of the electors of such district shall consent to or ratify the making of such expenditure.

(m) It is, and shall be lawful for any public utility district organized hereunder to sell and convey all the works, plants, systems, utilities and properties authorized by this act and owned by it after proceedings had as required by Sections 9512, 9513 and 9514 of Remington's Compiled Statutes of Washington: *Provided*, That three-fifths (3/5) of the voters voting for such sale, in lieu of a majority, shall be necessary. Public utility districts shall be held to be municipal corporations within the meaning of said sections and the commission of such public utility district shall be held to be the legislative body within the meaning of said sections, and the president and secretary of such district shall have the same powers and perform the same duties as the mayor and city clerk referred to in said sections,

and the resolutions of the public utility districts shall be held to mean ordinance within the meaning of said sections.

(n) The Commission of each public utility district may adopt general resolutions to carry out the purposes, objects and provisions of this act.

SEC. 7. Whenever the Commission shall deem it advisable that the public utility district purchase, purchase and condemn, acquire, or construct any such public utility, or make any additions or betterments thereto, or extensions thereof, the Commission shall provide therefor by resolution, which shall specify and adopt the system or plan proposed, and declare the estimated cost thereof, as near as may be, and specify whether general or utility indebtedness is to be incurred, the amount of such indebtedness, the amount of interest and the time in which all general bonds (if any) shall be paid, not to exceed thirty years. In the event the proposed general indebtedness to be incurred will bring the indebtedness of the public utility district to an amount exceeding one and one-half per cent (1½%) of the taxable property of the public utility district, the proposition of incurring such indebtedness and the proposed plan or system shall be submitted to the qualified electors of said public utility district for their assent at the next general election held in such public utility district.

Whenever the Commission (or a majority of the qualified voters of such public utility district, voting at said election, when it is necessary to submit the same to said voters) shall have adopted a system or plan for any such public utility, as aforesaid, and shall have authorized indebtedness therefor by a three-fifths vote of the qualified voters of such district, voting at said election, general or public utility bonds may be used as hereinafter provided. Said general bonds shall be serial in form and maturity and numbered from one upwards consecutively. The various annual maturities shall commence not later than the tenth year after the date of issue of such bonds. The resolution authorizing the issuance of the bonds shall fix the rate of interest the bonds shall bear, said interest not to exceed six per cent (6%), and the place and date of the payment of both

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principal and interest. The bonds shall be signed by the President of the Commission, attested by the Secretary of the Commission, and the seal of the public utility district shall be affixed to each bond but not to the coupon: *Provided, however,* That said coupon, in lieu of being so signed, may have printed thereon a facsimile of the signature of such officers. The principal and interest of such general bonds shall be paid from the revenue of such public utility district after deducting costs of maintenance, operation, and expenses of the public utility district, and any deficit in the payment of principal and interest of said general bonds shall be paid by levying each year a tax upon the taxable property within said district sufficient to pay said interest and principal of said bonds, which tax shall be due and collectible as any other tax. Said bonds shall be sold in such manner as the Commission shall deem for the best interest of the district. All bonds and warrants issued under the authority of this act shall be legal securities, which may be used by any bank or trust company for deposit with the State Treasurer, or any County or City Treasurer, as security for deposits, in lieu of a surety bond, under any law relating to deposits of public moneys. When the Commission shall not desire to incur a general indebtedness in the purchase, condemnation and purchase, acquisition, or construction of any such public utility, or addition or betterment thereto, or extension thereof, it shall have the power to create a special fund or funds for the sole purpose of defraying the cost of such public utility, or addition or betterment thereto, or extension thereof, into which special fund or funds it may obligate and bind the district to set aside and pay a fixed proportion of the gross revenues of such public utility, or any fixed amount out of, and not exceeding a fixed proportion of, such revenues, or a fixed amount without regard to any fixed proportion, and to issue and sell bonds or warrants bearing interest not exceeding six per cent (6%) per annum, payable semi-annually, executed in such manner, and payable at such times and places as the Commission shall determine, but such bonds or warrants and the interest thereon, shall be payable only out

of such special fund or funds. In creating any such special fund or funds, the Commission shall have due regard to the cost of operation and maintenance of the plant or system as constructed or added to, and to any proportion or part of the revenues previously pledged as a fund for the payment of bonds or warrants, and shall not set aside into such special fund or funds a greater amount or proportion of the revenues and proceeds 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 revenues so previously pledged. Any such bonds or warrants, and interest thereon, issued against any such fund, as herein provided, shall be a valid claim of the holder thereof only as against the said special fund and its fixed proportion or amount of the revenue pledged to such fund, and shall not constitute an indebtedness of such district within the meaning of the constitutional provisions and limitations. Each such bond or warrant shall state on its face that it is payable from a special fund, naming such fund and the resolution creating it. Said bonds and warrants shall be sold in such manner as the Commission shall deem for the best interests of the district, and the Commission may provide in any contract for the construction and acquisition of a proposed improvement or utility that payment therefor shall be made only in such bonds or warrants at the par value thereof. In all other respects, the issuance of such utility bonds or warrants and payment therefor shall be governed by the public utility laws for cities and towns.

SEC. 8. The Commissioners shall serve without compensation. No resolution shall be adopted without a majority vote of the whole commission. The commission shall organize by the election of its own members of a president and secretary, shall by resolution adopt rules governing the transaction of its business and shall adopt an official seal. All proceedings of the commission shall be by motion or resolution recorded in a book or books kept for such purpose, which shall be public records. The county treasurer of the county in which such district is situated shall be the treasurer of the district, and all funds of the district shall

## Initiative to the Legislature No. 1

be paid to him as such treasurer and shall only be disbursed by him on warrants drawn and signed by an auditor to be appointed by the commission, upon order of or vouchers approved by the commission. The commission shall have authority to create and fill such positions and fix salaries and bonds thereof as it may by resolution provide.

All materials purchased and work ordered, the estimated cost of which is in excess of Five Thousand Dollars (\$5,000.00) shall be by contract. Before awarding any such contract, the commission shall cause to be published a notice at least thirty (30) days before the letting of said contract, inviting sealed proposals for such work, plans and specifications which must at the time of the publication of such notice be on file at the office of the public utility district, subject to public inspection: *Provided, however,* That the commission may at the same time, and as part of the same notice, invite tenders for said work or materials upon plans and specifications to be submitted by bidders. Such notice shall state generally the work to be done, and shall call for proposals for doing the same, to be sealed and filed with the commission on or before the day and hour named therein. Each bid shall be accompanied by a certified check, payable to the order of the commission, for a sum not less than five per cent (5%) of the amount of the bid, and no bid shall be considered unless accompanied by such check. At the time and place named, such bids shall be publicly opened and read, and the commission shall proceed to canvass the bids, and may let such contract to the lowest responsible bidder upon plans and specifications on file, or to the best bidder submitting his own plans and specifications: *Provided, however,* That no contract shall be let in excess of the estimated cost of said materials or work, or if, in the opinion of the commission, all bids are unsatisfactory, they may reject all of them and re-advertise, and in such case all checks shall be returned to the bidders; but if such contract be let, then and in such case, all checks shall be returned to the bidders, except that of the successful bidder, which shall be retained until a contract shall be entered into for the purchase of such

materials for doing such work, and a bond to perform such work furnished, with sureties satisfactory to the Commission, in an amount to be fixed by the Commission, not less than twenty-five (25%) per cent of contract price in any case, between the bidder and Commission, in accordance with the bid. If such bidder fails to enter into said contract in accordance with said bid and furnish such bond within ten (10) days from the date at which he is notified that he is the successful bidder, the said check and the amount thereof shall be forfeited to the public utility district.

Every contractor and sub-contractor performing any work for said public utility districts or local utility districts within said public utility district shall pay or cause to be paid to its employes on such work or under such contract or sub-contract not less than the minimum scale fixed by the resolution of the Commission prior to the notice and call for bids on such work. The Commission, in fixing such minimum scale of wages shall fix the same as nearly as possible to the current prevailing and going wages within the district for work of like character.

SEC. 9. The County Treasurer of the county in which is located any public utility district shall be ex-officio Treasurer of any public utility district in such county, and he shall create a fund for any public utility district to be known as Public Utility District Fund, into which shall be paid all money received by him from the collection of taxes in behalf of such public utility district, and he shall also maintain such other special funds as may be created by the Public Utility Commission, into which shall be placed such moneys as the Public Utility Commission may by its resolution direct.

All such public utility district funds shall be deposited with the county depositories under the same restrictions, contracts and security as is provided by statute for county depositories, and all interest collected on such public utility funds shall belong to such public utility district and be deposited to its credit in the proper public utility district funds.

SEC. 10. Two or more contiguous public utility districts may become consolidated into one public utility dis-

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trict after proceedings had as required by sections 8909, 8910 and 8911, of Remington's Compiled Statutes of Washington, provided, that a ten (10) per cent petition shall be sufficient; and public utility districts shall be held to be municipal corporations within the meaning of said sections, and the Commission shall be held to be the legislative body of the public utility district as the term legislative body is used in said sections: *Provided*, That any such consideration shall in no wise affect or impair the title to any property owned or held by any such public utility district, or in trust therefor, or any debts, demands, liabilities or obligations existing in favor of or against either of the districts so consolidated, or any proceeding then pending: *Provided, further*, That no property within either of the former public utility districts shall ever be taxed to pay any of the indebtedness of either of the other such former districts.

The boundaries of any public utility district may be enlarged and new territory included therein, after proceedings had as required by section 8894 of Remington's Compiled Statutes of Washington: *Provided*, That a ten per cent (10%) petition shall be sufficient; and public utility districts shall be held to be municipal corporations within the meaning of said election, and the Commission shall be held to be the legislative body of the public utility district: *Provided*, That no property within such territory so annexed shall ever be taxed to pay any portion of any indebtedness of such public utility district contracted prior to or existing at the date of such annexation.

In all cases wherein public utility districts of less area than an entire county desire to be consolidated with a public utility district including an entire county, and in all cases where

it is desired to enlarge a public utility district including an entire county, by annexing a lesser area than an entire county, no election shall be required to be held in the district including an entire county.

SEC. 11. Adjudication of invalidity of any section, clause or part of a section of this act shall not impair or otherwise affect the validity of the act as a whole or any other part thereof.

The rule of strict construction shall have no application to this act, but the same shall be liberally construed, in order to carry out the purposes and objects for which this act is intended.

When this act comes in conflict with any provision, limitation or restriction in any other law, this act shall govern and control.

SEC. 12. This act shall not be deemed or construed to repeal or affect any existing act, or any part thereof, relating to the construction, operation and maintenance of public utilities by irrigation or water districts or other municipal corporations, but shall be supplemental thereto and concurrent therewith. No public utility district created hereunder shall include therein any municipal corporation, or any part thereof, where such municipal corporation already owns or operates all the utilities herein authorized: *Provided*, That in case it does not own or operate all such utilities it may be included within such public utility district for the purpose of establishing or operating therein such utilities as it does not own or operate: *Provided, further*, That no property situated within any irrigation or water districts or other municipal corporations shall ever be taxed or assessed to pay for any utility, or part thereof, of like character to any utility, owned or operated by such irrigation or water districts or other municipal corporations.

STATE OF WASHINGTON—ss.

Filed in office of Secretary of State October 25, 1928.

J. GRANT HINKLE, *Secretary of State*

Submitted to the Legislature January 21, 1929.

Rejected by the Legislature February 1, 1929.

## ARGUMENT FOR INITIATIVE MEASURE No. 1

This measure, known as the District Bill, was initiated by more than 100,000 signatures of registered voters. Its purpose is to conserve the water and power resources of the state for the people, by authorizing the establishment of public utility districts comprising a county or less in area. The method of formation of these districts is the same as for port districts, and the powers granted are the same as those now possessed by incorporated cities.

Washington has one-sixth of the nation's water power. This great natural resource is the God given heritage of the people. It belongs to no man or set of men. The economic benefits which will flow from the development of this enormous water power and the distribution of electricity at low rates can hardly be overestimated.

The history of rates for electric power in this state shows clearly that publicly-owned plants are responsible for the extremely high rates in our large northwest cities. The reasons are clear. In public plants there is no over-capitalization, no surplus stock or even stock of any kind upon which dividends must be paid. They are constantly retiring their indebtedness, while private companies are continually adding to the debt upon which interest must be paid and dividends earned. When public plants are paid for their property only depreciation and costs of operation, making incredibly low rates possible.

This bill gives the people of rural districts the same right to develop and distribute electricity that city dwellers now enjoy. Unless a sound reason can be shown why they should not have this right, the bill should pass. It is a matter of simple justice and fairness. Being opposed by the power trust, which now has the people of the city districts at its mercy, and all opposes every measure designed to lower rates.

Do not be misled. This bill if passed will not create a single utility district; it will levy no taxes, issue no bonds and create no debt. It is simply an enabling act. No district will be formed without a vote of the people, and no general bonds issued without a two-fifths vote.

It does not follow that districts will be formed everywhere. The smaller districts will be formed only for distribution, and will buy current from other public or private producers. Enactment of this bill will make it unnecessary to create numerous districts. The mere filing of this measure has caused a reduction of rates practically all over the state, and its enactment will result in still further reductions, and the people will always have in their hands the remedy for extortionate rates.

If this bill is defeated private companies will continue to appropriate available sites, and this last remaining natural resource will pass into private hands for all time and be used for the exploitation of our people and industries. That is the issue, and the private companies know it, and a vast amount of money will be spent in an attempt to defeat it. The astounding revelations made by the Federal Trade Commission, showing how schools, colleges, newspapers and even the pulpit have been used for spreading misleading propaganda should be sufficient to put every voter on guard. Do not be deceived by so-called citizens' committees and other organizations with fair-sounding names supported by the power trust. We say this because of its well known methods.

This measure is necessarily rather long, but the purpose is simple and clear. It is based upon existing legislation which has stood the test of the courts and is in practical operation. It will save our water resources for the people. It will give country districts the same access to our water resources that cities now have. It will insure reasonable rates, and gradually lower rates. Help yourselves and your children. Give the people of the rural districts a square deal. Vote for Initiative Measure No. 1.

Executive Committee, WASHINGTON STATE GRANGE.

JAMES TAYLOR, President, Washington State Federation of Labor.

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STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State  
September 14, 1929.

J. GRANT HINKLE, *Secretary of State.*

# ARGUMENT AGAINST INITIATIVE TO THE LEGISLATURE No. 1

LEGISLATIVE INITIATIVE NO. 1 THE MOST DANGEROUS TAX INCREASE MEASURE EVER SUBMITTED TO THE VOTERS OF THIS STATE.

IT WOULD PERMIT A PUBLIC UTILITY DISTRICT IN ONE COUNTY TO REMOVE TAXABLE PROPERTY FROM THE TAX ROLLS OF OTHER COUNTIES AND THEREBY SERIOUSLY INCREASE TAXES IN THOSE COUNTIES.

IT WOULD PERMIT, IN ADDITION TO THE STATE, COUNTY, CITY AND SCHOOL LEVIES, AN ADDITIONAL PUBLIC UTILITY DISTRICT TAX LEVY OF 2 MILLS FOR GENERAL PURPOSES WHICH COULD MEAN OVER \$2,000,000 AND AN UNLIMITED LEVY FOR DEBT AND INTEREST PURPOSES.

IT WOULD PERMIT A PUBLIC UTILITY DISTRICT IN ONE COUNTY TO ACQUIRE ALL THE PRIVATE ELECTRIC SYSTEMS IN THE OTHER COUNTIES AND TO FIX RATES FOR CURRENT WITHOUT ANY STATE CONTROL TO INSURE FAIR AND NON-DISCRIMINATORY RATES AND ADEQUATE SERVICE, THEREBY PERMITTING ONE COMMUNITY TO DISCRIMINATE AGAINST OTHER COMMUNITIES IN THIS STATE.

WASHINGTON'S TAX PROBLEM IS SERIOUS. THIS INITIATIVE WOULD MAKE IT FAR WORSE.

The less property there is to tax, the higher our taxes. Railroad and bank tax litigation has decreased our annual tax revenue millions of dollars. This loss will cause higher taxes on the rest of us. Every removal of property from the tax rolls by public ownership automatically increases taxes on the remaining private property. Therefore, under present conditions any further exemptions of property from taxation would be suicidal to the taxpayers. Yet this initiative contemplates the ultimate elimination of all privately owned electric systems in this state which now pay millions of dollars a year in taxes. If public ownership is to be further extended into private business who is going to pay the taxes?

WHO ARE THE REAL BACKERS OF THIS INITIATIVE?

Certain extremists among municipal ownership advocates in Seattle and Tacoma for years have been promoting a plan for a state-wide publicly owned super-power system to be controlled by those cities. In 1924, under the name of the Washington Superpower League they sponsored two initiatives. The first, known as the Bone Superpower Bill, designed to prevent the Legislature from taxing the electric business which these cities intended to carry on outside their city limits was overwhelmingly defeated by the people. The second, known as the Erickson initiative and far more radical than the Bone initiative, was withdrawn by its author in view of the unfavorable re-action that followed its wide circulation over the state. Legislative Initiative Number 1, now before the people, copies large portions of the Erickson measure word for word, and is in fact nothing more nor less than the old Erickson power bill, revised and enlarged with these same extremists among the municipal ownership advocates of Seattle and Tacoma as its real backers. The sole object of this group is to get control of the electric power resources of the state for their own selfish interests.

EXISTING PUBLICLY OWNED UTILITIES OF KING AND PIERCE COUNTIES HAVE INCREASED TAXES IN EVERY COUNTY AND COMMUNITY IN THE STATE.

In the campaign on the Bone Initiative of 1924 it was shown from the public records that the publicly owned utilities, other than water systems, of King and Pierce counties had eliminated private property from the tax rolls to such an extent that the taxes in all the counties for STATE purposes alone have been increased over \$323,000 a year. The west side counties pay over \$186,000 of this increase and the east side counties over \$137,000. Yet these same extremists have consistently opposed any attempt of the Legislature to make these properties pay their just share of the state tax and now propose this initiative which would still further increase taxes all over the state in a vast amount.

THIS INITIATIVE CREATES ANOTHER TAXING DISTRICT ON TOP

## Argument Against Initiative to the Legislature No. 1

### OF OUR PRESENT TAXING DISTRICTS WITH POWER TO LEVY 2 MILLS ADDITIONAL FOR GENERAL PURPOSES AND AN UNLIMITED AMOUNT FOR DEBT PURPOSES.

One of our greatest tax evils today is the pyramiding of taxes on the same taxable property. In the cities we have a state levy, a county levy, a school district levy and a city levy (and in some places port district and park district levies) all on the same property. In the country, there are the state, county, school district, road district, irrigation and dyking district and other levies. Now comes this initiative giving power to create another taxing district to cover the whole county or less and with power to levy a 2 mill tax on all the property in the district for general purposes and an unlimited millage for debt purposes. This could easily increase taxes several million dollars a year in addition to the added millions caused by the removal of private property from the tax rolls. The part of a county having the most votes could for its own benefit saddle the other parts of the county with large tax increases under the terms of this bill.

### THIS INITIATIVE WOULD PERMIT FROM TWENTY TO TWENTY-FIVE PERCENT INCREASE IN THE BONDED DEBT IN A COMMUNITY.

The bond and warrant debt of the various taxing districts in which a taxpayer's property lies constitute a debt against his property just as binding as any private mortgage there may be on it. Each of these municipal corporations, such as the county, school district, port district, city, park district, etc., can issue bonds up to 5% of its taxable valuation. There are communities in this state where the same property is subject to the lien of the debt of four or five municipal corporations, or a total of twenty to twenty-five percent of its taxable valuation. This initiative adds another possible 5% making a possible lien of 30% of the taxable valuation in addition to any private liens or mortgages.

THIS INITIATIVE WOULD SERIOUSLY INCREASE THE TAXES OF EVERY TAXPAYER IN THE STATE INCLUDING EVERY HOME-OWNER AND EVERY FARMER.

When Seattle took over the street railway system it took off the tax rolls private property that paid over \$400,000 a year in taxes. Now the people who misled Seattle into this dismal failure have been trying to get the Legislature to permit a general tax on all Seattle property in order to make up the losses of the street railway system thereby increasing the tax burden in Seattle.

With taxes already running as high as 25% and more of the income of farms and other properties the most rosy promises of lower electric rates would be insignificant as compared to the increased taxes that would result from removing from the tax rolls property now paying millions of dollars a year in taxes.

### ONE COUNTY COULD INCREASE TAXES IN ALL THE OTHER COUNTIES.

Since these extremists are on record as favoring a vast publicly owned superpower league to generate, distribute and sell electric energy, it is also fair to assume that they would lose no time in taking advantage of the powers of this bill to accomplish their purpose. Under this bill, they could reach over to Spokane, Yakima, Walla Walla, and anywhere else, and condemn and take over the existing companies that supply the east side counties. Likewise they could take over the private companies west of the Cascades. These immense properties paying millions of dollars a year in taxes would go off the tax rolls. In every county in which they now pay large taxes the tax burden would be heavily increased for county and local purposes in addition to the large increase mentioned above for state tax purposes. In return for these higher taxes all these counties would get absolutely nothing.

### WASHINGTON NEEDS MORE TAXABLE PROPERTY; NOT MORE PROPERTY EXEMPT FROM TAXATION.

VOTE AGAINST IT TO SAVE YOUR HOMES AND YOUR FARMS.

TAXPAYERS ECONOMY LEAGUE OF SPOKANE: By LESTER M. LIVENGOOD, Manager and Counsel.

STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State September 14, 1929.

J. GRANT HINKLE, Secretary of State.

# ARGUMENT AGAINST INITIATIVE TO THE LEGISLATURE No. 1

## "PUBLIC UTILITY DISTRICT BILL"

Some of the Grange leaders have been induced to sponsor this measure on the theory that it only gives to the rural sections the powers of "municipal ownership" now vested in the cities. Actually, the bill would give the proposed districts and their commissioners powers to create debts, issue bonds, make local assessments, levy taxes and exercise other authority, such as the people have never entrusted to any city or town or their officials.

No one doubts the sincerity of these Grange officials, but it is quite apparent that they have mistaken the real purpose and effect of this voluminous, complicated bill, as no measure could be more hostile to farmers' interests. The operations of the proposed districts would inevitably increase the cost of electric service to all homeowners, businessmen and taxpayers, both inside and outside of cities, either directly in higher rates, or through heavy local lien assessments and higher taxes, or all combined.

It is conceded that the bill was drawn by or with the assistance of the extreme municipal ownership advocates in Seattle and Tacoma, who would like to secure a monopoly over the light and power business in this state. They tried but failed to do this in 1924, when the voters turned down the Bone Bill by 77,901 majority. The present measure would be far more oppressive to all citizens and taxpayers of the state than the defeated Bone Bill.

Competition is not the object of this bill. Homer T. Bone, one of its authors, expressly stated at a legislative hearing in 1929 that its purpose is to eliminate competition and put the tax-paying regulated light and power companies out of business. The same statement has been repeatedly made by J. D. Ross, superintendent of Seattle's municipal lighting plant and one of the authors of this bill.

This bill authorizes the creation of an unlimited number of big and little, overlapping political corporations throughout the state, called public utility districts, each governed by three commissioners whose powers are practically unlimited. Once elected these commissioners can buy or condemn the property of any or all of the

existing companies, construct power plants, transmission and distributing lines and engage in business not only in their own districts but in all other parts of the state, all without a vote of the people. They can issue general bonds up to 1½% of the value of all the taxable property within the district without a vote of the people, and such property would be liable for the payment thereof. They can borrow money and issue therefor utility bonds and warrants in any amount they choose without a vote of the people. They can levy an annual tax of two mills upon such taxable property to cover operating losses, and can each year levy an unlimited tax to pay general bond interest and bond redemption. There is no limit to the political jobs which they can create.

These commissioners can create local improvement districts without a vote of or even a petition by the people, which will require a consumer to pay the entire cost of the lines of poles and wires passing his property even though he is already receiving electric service.

They can extend their lines upon any roads or highways in the state without the consent of the county commissioners, and are even given the most extraordinary power of building their lines upon the streets and avenues of any city or town without the consent of and even against the will of the city or town officials. Neither the citizens nor such officials could designate the character or location of pole lines, nor compel underground construction in business districts. They could give or refuse service, when and where they chose. They could establish rates, rules, practices and discriminations at their own sweet will, and no consumer could obtain any relief through any regulatory body.

The first section of the measure expresses a pretended purpose to conserve the state's resources, but the measure itself would demoralize existing safeguards and permit the dissipation of these resources. The people have jealously protected their interests by the Water Code, by the statutes relating to state, school, shore, and other lands and to state and county high-



## *Argument Against Initiative to the Legislature No. 1*

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ways, and by city and town charters with reference to streets and other public property. Existing utilities must comply with these laws; but all these safeguards would be swept aside by the uncontrolled authority of the district commissioners.

The companies furnishing electric service to your homes, offices, factories and farms are rapidly developing the state by low rates and the extension of their service. They are constantly reducing their rates, as conditions permit. They are today furnishing electric service to the people of Washington at the lowest rates prevailing in the United States, not excepting the most thickly settled sections. The companies have extended their lines to bring the benefits and convenience of electric energy to the rural sections until Washington enjoys the proud distinction of having the highest percentage of electrically served farms of all the states in the union.

This has been accomplished not by bonding your property and placing a mortgage upon it, not by an annual tax levy against your property as authorized by this bill, but by private enterprise through money furnished by the many thousands of local stockholders who have invested their savings in the securities of these companies.

These companies are subject to complete regulation of their service and rates by the people's appointees. In developing their power plants, they must comply with all the requirements of the Water Code and the Federal Water Power Act. Their business and their poles and wires in towns, cities and along the county and state highways are subject to the police power, franchise and other control of city and town councils, county commissioners, the State Highway Commission, Department of Labor and Industry, and other public agencies, from all of which the proposed districts would be released.

The properties of the light and power companies are on the tax rolls, and each year the growth of their properties brings additional millions of

dollars under the tax levying powers of the state, the counties, cities, towns, school districts and other taxing units. At this time, when farmer, homeowner, and business man are unanimous in demanding lower taxes, these utilities are bearing a large share of all the burdens of taxation. The purchase or condemnation of these properties as authorized by this bill would wipe all this property from the tax rolls and the tremendous annual tax payments made by these companies would have to be borne by additional taxes levied against every farm, home and business within the state. Already the tens of millions of tax exempt property in the cities of Seattle and Tacoma have raised the taxes of every property owner in the state to an alarming extent.

As sober-minded citizens of Washington, it is your business to protect yourselves against further exploitation and reckless political and financial schemes. Read carefully this bill. Figure out for yourselves, from its amazing provisions and startling grants of power, what would happen to you and to the state of Washington if this measure should become a law.

CHARLES P. LUND, President, Cheney Light & Power Co.

A. H. SPERRY, President, Stevens County Power & Light Co.

M. W. BIRKETT, Vice-President, The Washington Water Power Co.

LEWIS A. McARTHUR, Vice-President and General Manager, Pacific Power & Light Company.

L. T. MERWIN, Vice-President and General Manager, Northwestern Electric Co.

A. W. LEONARD, President, Puget Sound Power & Light Co.

WALLACE W. BRIGGS, Vice-President, Grays Harbor Railway & Light Co.

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STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State  
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J. GRANT HINKLE, *Secretary of State.*