CHAPTER 1
[Substitute House Bill No. 339]
OPERATING AGENCIES—-INDEBTEDNESS, INTEREST RATES—-
PARTICIPANTS' REPAYMENT PLANS

AN ACT Relating to operating agencies; amending section 43.52.250, chapter 8, Laws of 1965 as amended by section 1, chapter 184, Laws of 1977 ex. sess. and RCW 43.52.250; amending section 43.52.3411, chapter 8, Laws of 1965 and RCW 43.52.3411; amending section 43.52.343, chapter 8, Laws of 1965 and RCW 43.52.343; adding a new section to chapter 43.52 RCW; and declaring an emergency.

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

Section 1. Section 43.52.250, chapter 8, Laws of 1965 as amended by section 1, chapter 184, Laws of 1977 ex. sess. and RCW 43.52.250 are each amended to read as follows:

As used in this chapter and unless the context indicates otherwise, words and phrases shall mean:

"District" means a public utility district as created under the laws of the state of Washington authorized to engage in the business of generating and/or distributing electricity.

"City" means any city or town in the state of Washington authorized to engage in the business of generating and/or distributing electricity.

"Canada" means Canada or any province thereof.

"Operating agency" or "joint operating agency" means a municipal corporation created pursuant to RCW 43.52.360, as now or hereafter amended.

"Public utility" means any person, firm or corporation, political subdivision or governmental subdivision including cities, towns and public utility districts engaged in or authorized to engage in the business of generating, transmitting or distributing electric energy.

"Revenue bonds or warrants" means bonds, notes, bond anticipation notes, warrants, certificates of indebtedness, commercial paper, refunding or renewal obligations, payable from a special fund or revenues of the utility properties operated by the joint operating agency.

Sec. 2. Section 43.52.3411, chapter 8, Laws of 1965 and RCW 43.52.3411 are each amended to read as follows:

For the purposes provided for in this chapter, an operating agency shall have power to issue revenue bonds or warrants payable from the revenues of the utility properties operated by it. Whenever the board of a joint operating agency shall deem it advisable to issue bonds or warrants to construct or acquire any public utility or any works, plants or facilities or any additions or betterments thereto or extensions thereof it 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. Such cost may include

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funds for working capital, for payment of expenses incurred in the acquisition or construction of the utility and for the repayment of advances made to the operating agency by any public utility district or city. Except as otherwise provided in RCW 43.52.343, all the provisions of law as now or hereafter in effect relating to revenue bonds or warrants of public utility districts shall apply to revenue bonds or warrants issued by the joint operating agency including, without limitation, provisions relating to: The creation of special funds and the pledging of revenues thereto; the time and place of payment of such bonds or warrants and the interest rate or rates thereon; the covenants that may be contained therein and the effect thereof; the execution, issuance, sale, funding, or refunding, redemption and registration of such bonds or warrants; and the status thereof as negotiable instruments, as legal securities for deposits of public moneys and as legal investments for trustees and other fiduciaries and for savings and loan associations, banks and insurance companies doing business in this state. However, for revenue bonds or warrants issued by an operating agency, the provisions under RCW 54.24.030 relating to additional or alternate methods for payment may be made a part of the contract with the holders of any revenue bonds or warrants of an operating agency. The board may authorize the managing director or the treasurer of the operating agency to sell revenue bonds or warrants maturing one year or less from the date of issuance, and to fix the interest rate or rates on such revenue bonds or warrants with such restrictions as the board shall prescribe.

Sec. 3. Section 43.52.343, chapter 8, Laws of 1965 and RCW 43.52.343 are each amended to read as follows:

All bonds issued by an operating agency shall be sold and delivered in such manner, at such rate or rates of interest and for such price or prices and at such time or times as the board shall deem in the best interests of the operating agency, whether by negotiation or to the highest and best bidder after such advertising for bids as the board of the operating agency may deem proper: PROVIDED, That the board may reject any and all bids so submitted and thereafter sell such bonds so advertised under such terms and conditions as it may deem most advantageous to its own interests.

NEW SECTION. Sec. 4. There is added to chapter 43.52 RCW a new section to read as follows:

Any municipal corporation, cooperative or mutual which has entered into a contract with an operating agency to participate in the construction or acquisition of an energy plant as defined in chapter 80.50 RCW shall annually adopt a plan for the repayment of its contractual share of any operating agency obligation which matures prior to the planned operation of the plant. The manner of adoption of the plan shall be subject to the laws regarding approval of rates of the municipal corporation, cooperative or mutual.
The plan shall include the effect of the means of repayment on its financial condition, its customers' rates, its other contractual rights and obligations, and any other matter deemed useful by the participant.

Each such participating municipal corporation, cooperative or mutual shall include a statement of the extent of its contractual obligation to any operating agency in an annual financial report.

**NEW SECTION.** Sec. 5. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**NEW SECTION.** Sec. 6. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 28, 1981.
Passed the Senate April 28, 1981.
Approved by the Governor May 8, 1981.
Filed in Office of Secretary of State May 8, 1981.

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**CHAPTER 2**  
*[Reengrossed Substitute Senate Bill No. 3765]*  
**NURSING HOMES**

AN ACT Relating to nursing homes; amending section 4, chapter 260, Laws of 1977 ex. sess. and RCW 74.09.580; amending section 7, chapter 177, Laws of 1980 and RCW 74.46.070; amending section 12, chapter 177, Laws of 1980 and RCW 74.46.120; amending section 46, chapter 177, Laws of 1980 and RCW 74.46.460; amending section 49, chapter 177, Laws of 1980 and RCW 74.46.490; amending section 53, chapter 177, Laws of 1980 and RCW 74.46.530; amending section 81, chapter 177, Laws of 1980 and RCW 74.46.810; amending section 90, chapter 177, Laws of 1980 (uncodified); amending section 94, chapter 177, Laws of 1980 and RCW 74.46.901; amending section 74.09.120, chapter 26, Laws of 1959 as last amended by section 1, chapter 213, Laws of 1975 1st ex. sess. and RCW 74.09.120; amending section 24, chapter 184, Laws of 1980 ex. sess. as last amended by section 5, chapter 184, Laws of 1980 and RCW 18.51.310; amending section 3, chapter 99, Laws of 1975 1st ex. sess. and RCW 18.51.007; amending section 2, chapter 117, Laws of 1951 as last amended by section 1, chapter 213, Laws of 1975 1st ex. sess. and RCW 18.51.010; amending section 6, chapter 117, Laws of 1951 as last amended by section 1, chapter 99, Laws of 1975 1st ex. sess. and RCW 18.51.050; amending section 7, chapter 117, Laws of 1951 as last amended by section 10, chapter 228, Laws of 1979 ex. sess. and RCW 18.51.060; amending section 16, chapter 99, Laws of 1975 1st ex. sess. and RCW 18.51.065; amending section 4, chapter 99, Laws of 1975 1st ex. sess. and RCW 18.51.190; amending section 5, chapter 99, Laws of 1975 1st ex. sess. and RCW 18.51.200; amending section 6, chapter 99, Laws of 1975 1st ex. sess. and RCW 18.51.210; amending section 11, chapter 99, Laws of 1975 1st ex. sess. and RCW 18.51.240; amending section 2, chapter 175, Laws of 1975 1st ex. sess. and RCW 18.51.300; amending section 35A.70.070, chapter 119, Laws of 1967 ex. sess. as amended by section 42, chapter 141, Laws of 1979 and RCW 35A.70.070; creating a new section; creating a new section; adding a new section to chapter 18.51 RCW; adding a new section to chapter 74.09 RCW; creating a new section; repealing section 3, chapter 117, Laws of 1951, section 2, chapter 160, Laws of 1953 and RCW