

CHAPTER 1**[House Bill No. 847]****OPERATING AGENCIES—REPAYMENT OF MEMBERS—INTEREST RATE**

AN ACT Relating to payment by a joint operating agency to its members of interest at market rates; amending section 43.52.391, chapter 8, Laws of 1965 as amended by section 8, chapter 184, Laws of 1977 ex. sess. and RCW 43.52.391; 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 43.52.391, chapter 8, Laws of 1965 as amended by section 8, chapter 184, Laws of 1977 ex. sess. and RCW 43.52.391 are each amended to read as follows:

Except as otherwise provided in this section, a joint operating agency shall have all powers now or hereafter granted public utility districts under the laws of this state. It shall not acquire nor operate any electric distribution properties nor condemn any properties owned by a public utility which are operated for the generation and transmission of electric power and energy or are being developed for such purposes with due diligence under a valid license or permit, nor purchase or acquire any operating hydroelectric generating plant owned by any city or district on June 11, 1953, or which may be acquired by any city or district by condemnation on or after January 1, 1957, nor levy taxes, issue general obligation bonds, or create subdistricts. It may enter into any contracts, leases or other undertakings deemed necessary or proper and acquire by purchase or condemnation any real or personal property used or useful for its corporate purposes. Actions in eminent domain may be instituted in the superior court of any county in which any of the property sought to be condemned is located and the court in any such action shall have jurisdiction to condemn property wherever located within the state; otherwise such actions shall be governed by the same procedure as now or hereafter provided by law for public utility districts. An operating agency may sell steam or water not required by it for the generation of power and may construct or acquire any facilities it deems necessary for that purpose.

An operating agency may make contracts for any term relating to the purchase, sale, interchange or wheeling of power with the government of the United States or any agency thereof and with any municipal corporation or public utility, within or without the state, and may purchase or deliver power anywhere pursuant to any such contract. An operating agency may acquire any coal-bearing lands for the purpose of assuring a long-term, adequate supply of coal to supply its needs, both actual and prospective, for the generation of power and may make such contracts with respect to the extraction, sale or disposal of coal that it deems proper.

Any member of an operating agency may advance or contribute funds to an agency as may be agreed upon by the agency and the member, and the agency shall repay such advances or contributions from proceeds of revenue bonds, from operating revenues or from any other funds of the agency, together with interest not to exceed ~~((six percent per annum))~~ the maximum specified in section 2(1) of this act. The legislative body of any member may authorize and make such advances or contributions to an operating agency to assist in a plan for termination of a project or projects, whether or not such member is a participant in such project or projects. Any member who makes such advances or contributions for terminating a project or projects in which it is not a participant shall not assume any liability for any debts or obligations related to the terminated project or projects on account of such advance or contribution.

NEW SECTION. Sec. 2. There is added to chapter 43.52 RCW a new section to read as follows:

(1) The maximum rate at which an operating agency shall add interest in repaying a member under RCW 43.52.391, as now or hereafter amended, may not exceed the higher of fifteen percent per annum or four percentage points above the equivalent coupon issue yield (as published by the Federal Reserve Bank of San Francisco) of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the preceding calendar month.

(2) The maximum rate specified in subsection (1) of this section is applicable to all advances and contributions made by each member to the agency prior to the effective date of this act and to all renewals of such advances and contributions.

NEW SECTION. Sec. 3. 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. 4. 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 January 21, 1982.

Passed the Senate January 21, 1982.

Approved by the Governor January 21, 1982.

Filed in Office of Secretary of State January 21, 1982.