

PACIFIC COUNTY ORDINANCE NO. 155

AN ORDINANCE WHICH IMPLEMENTS PUBLIC DEVELOPMENT CORPORATIONS

WHEREAS, the Pacific County Board of Commissioners has determined that the creation of Public Development Corporations would serve essential public purposes, and

WHEREAS, the creation of Public Corporations by County government is authorized by Chapter 35.21 RCW, Now therefore,

IN ACCORDANCE WITH CHAPTER 36.32 RCW AND CHAPTER 35.21 RCW, IT IS HEREBY ORDAINED BY THE BOARD OF COMMISSIONERS, PACIFIC COUNTY, WASHINGTON, AS FOLLOWS:

PUBLIC CORPORATIONS

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SECTION 1 - AUTHORIZATION

- A. The County authorizes the establishment and chartering of one or more public corporations, commissions and/or authorities (which this Ordinance calls a “Public Corporation”), each as an independent legal entity, to: improve governmental efficiency and services and general living conditions within the County; administer and execute federal grants and programs, receive and administer federal funds; perform all manner and type of community services; provide and implement such municipal services and functions as the Board of County Commissioners may direct; and allow a character of community participation in appropriate municipal projects and activities that are, in practical effect, restricted by the organizational structure of County government, all as authorized by RCW 35.21.730 through 35.21.759.
- B. All liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and credit of such public corporation, commission or authority and no creditor or other person shall have any right of action against Pacific County on account of any debts, obligations or liabilities of such public corporation, commission or authority.

SECTION 2 – DEFINITIONS

As used in this chapter, the term:

- A. “Board” means the group of persons vested with the management of the affairs of a public corporation, irrespective of the name by which such group is designated. It includes, but it not limited to, such designations as “board of directors”, “trustees”, “managers”, “directorate”, “commission”, or “council”.
- B. “Board of Commissioners” means the legislative body of Pacific County.
- C. “Bonds” means any bonds, promissory notes, interim certificates, debentures, certificates of indebtedness or other obligations issued by the public corporation pursuant to its charter and this chapter.
- D. “Charter” means the articles of organization of a public corporation irrespective of the name applied thereto and all amendments thereto.
- E. “County” means the County of Pacific. “County Auditor” means the Auditor of Pacific County or a person authorized to act on his or her behalf.
- F. “County Clerk” means the Clerk of Pacific County or a person authorized to act on his or her behalf.
- G. “Corporate” shall refer or pertain to a public corporation.
- H. “Corporate Office” means an office or official person of a public corporation, irrespective of designation, but excludes members of the Board.
- I. “Corporate Official” means an officer or official of a public corporation, irrespective of designation; a corporate official may or may not be a member of the Board.
- J. “Immediate Family” means:
 - 1. A spouse;
 - 2. Any dependent parent, parent-in-law, child or son-in-law or daughter-in-law; or
 - 3. Any parent, parent-in-law, child, son-in-law, daughter-in-law, sibling, uncle, aunt, cousin, niece or nephew residing in the household of a corporate official or employee.
- K. “Insolvent” or “insolvency” means an inability of a public corporation to pay debts as they become due in the usual course of its affairs.

- L. "Public Corporation" shall mean a corporation, commission, or authority organized under this Ordinance.
- M. "Real Property" includes all lands, including improvements and fixtures thereon and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.
- N. "Resolution" means an action of the Board with the quorum required in Section 30.
- O. "Rules and Regulations" means the code or codes of rules adopted for the regulation or management of the affairs of the public corporation irrespective of the name or names by which such rules and regulations are designated.
- P. "State" (when not used as a verb) shall mean the State of Washington.

SECTION 3 – CORPORATE LIFE

The charter of a public corporation shall establish the character or term of its existence. The charter may provide that:

- A. The public corporation shall have perpetual existence;
- B. The public corporation shall exist for a stated period of years, until a fixed expiration date, or during a set time period; or
- C. The public corporation shall cease to exist upon the occurrence of certain events or upon an expiration date measured from such events; or the charter may combine any term or condition set forth in Subsection 3.B with that set forth in Subsection 3.C. Should the charter fail to set forth the character or term of the public corporation's existence, the existence of the public corporation shall expire five (5) years after the date of issuance of its charter.

SECTION 4 – GENERAL POWERS

Except as otherwise limited by the State Constitution, County ordinances (including this Ordinance), or by the charter of the public corporation, a public corporation shall have the power to:

- A. Own and sell real and personal property;
- B. Contract and enter into partnership with individuals, associations and corporations, and the state and the United States;
- C. Sue and be sued;

- D. Lend and borrow funds;
- E. Do anything a natural person may do;
- F. Perform all manner and type of community services and activities utilizing federal or private funds;
- G. Administer and execute federal grants and programs;
- H. Receive and administer federal funds;
- I. Provide and implement such municipal services and functions as the Board of Commissioners may by ordinance direct;
- J. Transfer, with or without consideration, any funds, real or personal property, property interests, or services received from the federal government, private sources or, if otherwise legal, from a city, district, or county; and
- K. Receive and administer private funds, goods or services for any lawful public purpose.

SECTION 5 – SPECIFIC POWERS

Except as otherwise limited by the State Constitution, County ordinances (including this Ordinance), or the public corporation's charter, the powers granted a public corporation by Section 4 include, but are not limited to, the power to:

- A. Purchase, lease, exchange, mortgage, encumber, improve, use or otherwise transfer or grant security interests in real or personal property or any interests therein; grant or acquire options; and contract regarding the income or receipts from real property;
- B. Issue negotiable bonds and notes in conformity with Section 38 and applicable provisions of the Uniform Commercial Code and state law in such principal amounts, as in the discretion of the public corporation, shall be necessary or appropriate to provide sufficient funds for achieving any corporate purposes or to secure financial assistance.
- C. Contract for leases, and accept transfers, gifts or loans of funds/property;
- D. Manage on behalf of and as requested by the County, any property acquired by the County through gift, purchase, construction, lease, assignment, default or exercise of the County's power of eminent domain;
- E. Recommend to the Board of Commissioners appropriate public improvements and expenditures in areas of the County in which a public corporation by its charter has a particular responsibility;

- F. Recommend to the Board of Commissioners any property which if committed or transferred to the public corporation, would materially advance the public purpose for which the public corporation was chartered;
- G. Initiate, carry out, and complete such improvements to the public interest as the Board of Commissioners may designate;
- H. Recommend to the Board of Commissioners such tax, financing, and security measures as the public corporation may deem appropriate to maximize the public interest in any area in which a public corporation, by its charter, has a particular responsibility;
- I. Lend its funds, property, or credit or services for corporate purposes, or act as a surety or guarantor for corporate purposes;
- J. Provide advisory, consultative, training, educational, and community services or advice to individuals, associations, corporations, or governmental agencies, with or without charge;
- K. Control the use and disposition of corporate property, assets, and credit;
- L. Invest and reinvest its funds;
- M. Fix and collect charges for services rendered or to be rendered, and establish the consideration for property transferred; however, the public corporation shall not impose any charge for services unless the charge is approved by the Board of Commissioners. The Board of Commissioners shall not approve any charge for services until it has conducted a public hearing on the matter;
- N. Sponsor, lease, manage, construct, own, and lease or otherwise participate in housing projects where such activity furthers the public purpose for which the public corporation is chartered;
- O. Maintain books and records as appropriate for the conduct of its affairs; and
- P. Conduct corporate affairs, carry on its operations, and use its property as allowed by law and consistent with this Ordinance, its charter, and its rules and regulations; and to name corporate officials, designate agents and engage employees; prescribe their duties, qualifications and compensation; and secure the services of consultants for professional services, technical assistance, or advice.

SECTION 6 – ADDITIONAL POWERS

Except as otherwise limited by this Ordinance or by its charter or by law, a public corporation, in addition to the powers enumerated in Sections 4 and 5, shall have the power and authority to:

- A. Have a corporate seal and alter the same at pleasure;
- B. Cease its activities and operations and surrender its charter through dissolution procedures provided in Section 44;
- C. Exercise and enjoy such additional powers as may be authorized by law; and
- D. Have and exercise all powers necessary or convenient to affect the purposes for which the public corporation was organized and to perform authorized corporate functions.

SECTION 7 – LIMITATION OF POWERS

- A. A public corporation organized under this Ordinance shall have no power of eminent domain, nor any power to levy taxes or special assessments. In addition, the public corporation shall not impose any charge for services unless the charge is approved the Board of Commissioners. The Board of Commissioners shall not approve any charge for services until it has conducted a public hearing on the matter.
- B. No public corporation may incur or create any liability that permits recourse by any contracting party or member of the public to or upon any assets, services or credit of the County.
- C. No funds, assets, or property of any public corporation shall be used for any partisan political activity or to further the election or defeat any candidate for public office; nor shall any funds or substantial part of the activities of any public corporation be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States, or the legislature of the State or the Board of Commissioners; provided, however, that members and officials of a public corporation may respond to requests by contacting members of Congress, State Legislators, or County Commissioners for information and appear before any such legislative body in connection with funding and other matters directly affecting the public corporation or its ability to carry out the purposes for which it is chartered.
- D. A public corporation shall not sell or otherwise encumber property transferred to the public corporation by Pacific County unless the sale or encumbrance of the property is approved by the Board of Commissioners. The Board of Commissioners shall receive thirty (30)

days' advanced written notice of any proposed sale or encumbrance any property transferred to the public corporation by Pacific County.

SECTION 8 – PURVIEW OF AFFAIRS

- A. All funds, assets or credit of the public corporation shall be applied toward or expended upon municipal and community services and projects and activities authorized by its charter. A public corporation organized under this chapter shall not issue shares of stock, pay dividends, make private distribution of assets, make loans to corporate officials, or engage in business for profit.
- B. The limitation of Subsection 8.A does not preclude the following transactions or activities, and a public corporation, unless restricted by its charter, may:
 - 1. Compensate corporate officials a reasonable amount for services rendered, and reimburse reasonable expenses actually incurred in performing their duties;
 - 2. Sell assets for a consideration greater than their reasonable market value or acquisition costs, or charge for services more than the expense of providing them, or otherwise secure an increment in a transaction, or carry out any other transaction or activity, as long as such gain is not the public corporation's general object or purpose and is applied to or expended upon municipal and community services and projects and activities as aforesaid; and
 - 3. To the extent permitted by law, a public corporation shall protect, defend, hold harmless and indemnify any person who becomes a director, officer, employee, or agent of the public corporation and who is a party to a proceeding by reason related to that person's conduct as director, officer, employee, or agent of the public corporation against judgments, fines, penalties, settlements and reasonable expenses (including attorneys' fees) incurred by him or her in connection with such proceedings if such person acted in good faith and within the scope of his or her authority and if in the case of any criminal proceedings he or she had no reasonable cause to believe his or her conduct was unlawful.

SECTION 9 – ESTABLISHING A CHARTER

A public corporation may be chartered by the Board of Commissioners.

SECTION 10 – REVIEW OF PROPOSED CHARTER

As a condition precedent to establishing a charter for a public corporation, the Board of County Commissioners must find that:

- A. Chartering a public corporation will be helpful to fulfill the purposes set forth in Section 1; and
- B. The character and duration of the public corporation is reasonably necessary for the activities or functions to be performed.

SECTION 11 – ISSUANCE OF CHARTER

A charter establishing a public corporation shall be issued in duplicate originals, each signed by the Board of Commissioners. One (1) original shall be retained by the County Auditor and filed as a public record; and a duplicate original shall be delivered to a corporate official. The County Auditor shall give notice of the issuance of the charter to the Secretary of State.

SECTION 12 – EFFECT OF ISSUANCE OF CHARTER

A public corporation shall commence its existence effective upon filing of its charter as issued and attested, unless a different time be specified therein. Except as against the state or the County in a proceeding to cancel or revoke the charter, or to compel compliance with a representation made in the application, filing of an original charter and delivery of a duplicate original charter shall conclusively indicate that all conditions precedent have been fulfilled and that the public corporation has been established in compliance with the procedures of this ordinance.

SECTION 13 – ORGANIZATIONAL MEETING

Upon issuance of the charter, the corporate officials shall arrange an organizational meeting within thirty (30) days. At such meeting, the Board shall organize itself, and select a place of business.

SECTION 14 – CHARTER CONTENTS

- A. The charter shall set forth the following:
 - 1. The name of the public corporation and its corporate seal;
 - 2. The character or period of duration of the public corporation as provided in Section 3;
 - 3. This statement in prominent place: “(Name of public corporation) is organized pursuant to Ordinance No. 155 of the County of Pacific and the laws of the State of Washington and provides as follows: All liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and credit of such public corporation, commission or authority and no creditor or other person shall have any right of action against Pacific County on account of any debts, obligations or liabilities of such public corporation, commission or authority.”

4. The purpose and scope of activities of the public corporation;
5. The powers of the public corporation and any limitations thereon as provided in Sections 4, 5, and 6;
6. The structure or fundamental organization of the public corporation;
7. A division of duties within the corporate structure as provided in Section 19;
8. The powers and duties of the Board;
9. The powers and duties of any advisory group;
10. The method of amending its rules and regulations or adopting another set; and
11. The method of proposing amendments to its charter to the Board of Commissioners.

B. The charter shall set forth the following matters in conformity with Sections 23, 28, 30, and 31, respectively, or, within stated guidelines, authorize the rules and regulations to define any or all of the following matters:

1. The corporate offices and tenure of officers: the number of positions, powers and duties, and term of each corporate office; performance of duties of the office upon illness, death, incapacity or absence of the corporate officer; the filling of vacancies; and any qualifications for the office and conditions upon exercising its powers;
2. The composition of the Board: its size and numbers; the term and qualifications for member positions; the organization and powers of its positions; Board committees and duties; and the filling of vacancies; provided, however, that all Board members must be appointed by the Board of Commissioners;
3. The maintenance of corporate records and public access thereto;
4. Regular and special meetings of the council and notice requirements;
5. The method of voting and for representation of persons absent from meetings if allowed;

6. Suspension or removal of corporate officials from an office or position; and conditions which would require such suspension; and
7. Any other provision pertaining to the internal affairs of the public corporation as deemed appropriate. The provisions of the charter insofar as consistent with federal and state law and with this Ordinance shall control the affairs and operations of the public corporation.

SECTION 15 – LIMITS UPON NAME – SEAL

The corporate name shall not:

- A. End with “incorporated”, “company” or “corporation” or any abbreviation thereof or use the term “grange”, “bank”, “trust” or “savings” therein, or any combination of words that are restricted from its usage by state law; and
- B. Adopt or appear deceptively similar to the name of any corporation, existing or organized under the laws of the state or authorized to transact business or conduct affairs in the state, or a corporate name reserved or registered as permitted by the laws of the state.

The corporate seal shall carry the name of the public corporation.

SECTION 16 – MANDATORY STATEMENT– RESERVATION

The Board of Commissioners by resolution may amend the statement required by Subsection 14.A.3 from time to time to reflect any subsequent state legislation amending or supplementing state law, and such amendatory statement shall be attached as an amendment to the charter of the public corporation.

SECTION 17 – SCOPE OF ACTIVITIES – CONSTRAINT

Whenever the laws of the state or of the United States or a County ordinance shall require a license or permit to undertake certain activities or perform an act, the public corporation, prior to undertaking the activity or performing the act, shall comply therewith to the same extent as any other agency, commission or board otherwise established by the County.

SECTION 18 – CORPORATE STRUCTURE – BASIC PATTERN

- A. Power and responsibility within the corporate structure shall be distributed among the corporate officers and the Board.
- B. The corporate officials shall manage the daily affairs and operations of the public corporation.

- C. The Board shall oversee the activities of corporate officers, establish and/or implement policy, and participate in corporate activities as prescribed by the charter at least to the extent provided by Section 20.

SECTION 19 – DIVISION OF DUTIES OF CORPORATE OFFICIALS

- A. A public corporation shall have two (2) or more corporate officials. The same person shall not occupy both the chief executive office of the corporation and the office responsible for the custody of funds and maintenance of accounts and finances.
- B. Unless the charter provides otherwise, the chief executive officer shall be the agent of the public corporation for service of process; the rules and regulations may designate additional corporate officials as agents to receive or initiate process.

SECTION 20 – BOARD CONCURRENCE REQUIRED

General or particular authorization or concurrence of the Board by resolution shall be necessary for any of the following transactions:

- A. Transfer or conveyance of an interest in real estate other than (1) a release of a lien or satisfaction of a mortgage after payment has been received and (2) the execution of a lease for a current term of less than one (1) year;
- B. The contracting of debts, issuance of notes, debentures, or bonds, and the mortgaging or pledging of corporate assets to secure the same;
- C. The donation of money, property or other assets belonging to the public corporation;
- D. An action by the public corporation as a surety or guarantor;
- E. All transactions in which the consideration exchanged or received the public corporation exceeds Ten Thousand Dollars (\$10,000), the performance by the public corporation is expected to extend over a period of one (1) year from the date of execution of an agreement therefore, or the public corporation assumes duties of the County, the State or the United States;
- F. Any project or activity outside the limits of the County;
- G. Adoption of an annual budget;
- H. Certification of annual reports and statements to be filed with the County Clerk as true and correct in the opinion of the Board and its members except as noted;
- I. Proposed amendments to the charter; and

- J. Such other transactions, duties, and responsibilities as the charter shall repose in the Board of require participation of the Board by resolution.

SECTION 21 – RULES AND REGULATIONS

- A. The rules and regulations shall be subordinate to and consistent with the charter; and may be altered, amended or repealed from time to time as the charter shall prescribe, and shall set forth such matters designated in Subsection 14.B, as the charter shall authorize. The rules and regulations, if any, contained in the initial charter as approved by the Board of Commissioners shall be the initial rules and regulations of the public corporation.
- B. Amendments to the rules and regulations shall not take effect until the Board has approved the amendments and the Board of Commissioners has subsequently ratified the amendments.

SECTION 22 – PROPOSING CHARTER AMENDMENTS AND AMENDMENTS TO THE RULES AND REGULATIONS

- A. A public corporation that desires to amend its charter or rules and regulations must have its Board pass a resolution by a procedure outlined in its charter and in conformity with Section 30 at a regular or at a special meeting of which ten (10) days' advance notice is given. Any such amendment that is approved by the Board shall be sent to the Board of Commissioners. The amendment shall not become effective unless approved by the Board of Commissioners.
- B. Notice of a proposed charter amendment or a proposed amendment to the rules and regulations must state the purpose and effect of the amendment.

SECTION 23 – CORPORATE OFFICIALS – APPOINTMENT/BONDING REQUIREMENTS

- A. Corporate officials shall be appointed by the Board.
- B. The charter or the rules and regulations may require that any official responsible for accounts and finances be bonded in an amount determined by the public corporation.

SECTION 24 – DISCRIMINATION PROHIBITED

- A. Board membership, directly or indirectly, may not be based upon or limited by age, race, color, religion, sex, national origin, marital status, sexual orientation, political ideology, or the physical handicap of a capable person.

- B. To assure equality of employment opportunity, the public corporation shall not discriminate in employment because of age, race, color, creed, religion, sex, national origin, marital status, sexual orientation, or political ideology, or against a physically handicapped person capable of performing the work.

SECTION 25 – COMPOSITION OF THE BOARD

- A. The Board shall have three (3) or more members. All board members shall be appointed by the Board of Commissioners. No term of a board member shall exceed four (4) years unless otherwise prescribed by the charter of the public corporation. If no duration of term is prescribed in the charter, the term of a position on the Board shall be two (2) years;
- B. The charter may but need not establish different terms for various positions on the Board, stagger the terms; require special qualifications for certain positions; include corporate officers as ex officio members or observers; select members by districts or from classes of persons or from community agencies; and
- C. If the charter provides for Board committees, the Board by resolution may designate and appoint one (1) or more committees consisting of at least (3) or more members to represent the Board and may designate a committee of its membership to present quarterly reports to the Board of Commissioners.

SECTION 26 – VACANCIES

The Board of Commissioners shall act as expeditiously as practical to fill any vacancy of a Board member. The Board likewise shall act as expeditiously as practical to fill any vacancy of a corporate official.

SECTION 27 – ACCESS TO RECORDS

- A. A public corporation shall keep an official journal containing the minutes of proceedings at all meetings of the Board and the resolutions of the Board.
- B. Any shall have access to records and information of the public corporation to the same degree as a person enjoys to records and information of any agency of the County.

SECTION 28 – MEETINGS OF THE BOARD

- A. The Board shall meet at least once per month or at a more frequent interval as provided in or by the charter; special meetings of the Board may be called as provided by the charter or in the rules and regulation.
- B. The Board of a public corporation shall be the governing body of a public agency as defined in RCW 42.30.020 and all meetings of the

Board shall be held and conducted in accordance with RCW 42.30.010 et seq., and special meetings may be called as therein provided. In addition, a majority of the Board upon one (1) day's notice may call a special meeting of the Board to consider matters appropriate to a regular meeting.

- C. All meetings shall be open to the public, except the Board may hold an executive session to consider matters enumerated in RCW 42.30.110 et seq., and shall enter the cause therefore upon its official journal.

SECTION 29 – MEETINGS – COUNTY PARTICIPATION

The failure to hold and conduct a regular meeting shall not dissolve the public corporation, but upon notice from the Board of Commissioners the public corporation shall promptly call and conduct a special meeting to consider matters appropriate to the regular meeting bypassed.

SECTION 30 – QUORUM

The charter or the rules and regulations pursuant thereto shall establish the quorum necessary for action by the Board. A quorum shall equal or exceed the following standard:

At least 1/3 of the Board's voting membership must be present.

SECTION 31 – VOTING – REPRESENTATION

- A. The charter or rules and regulations pursuant thereto shall provide for the manner of balloting. For example, the charter may allow for: balloting by mail; absentee ballots or written statements received by mail or delivery (before or after a meeting) to supplement balloting at a meeting; or voting as directed in a written proxy taking a position on a particular issue, candidacy, or nominations.
- B. No proxy or voting trusts or pooling arrangements shall be allowed delegating to the holder discretion in casting a ballot or to act for a principal on undisclosed or general matters to be raised at a meeting of the Board, except as designated in the charter.

SECTION 32 – TENURE IN OFFICE

- A. A corporate official or Board member shall serve for the term designated and until his or her successor has been appointed.
- B. Any corporate official or Board member may be removed from any corporate office or position in such manner as the charter or rules and regulations pursuant thereto shall prescribe. Any position or corporate office may be abrogated or extinguished during an existing term. Upon removal from a corporate office or upon the abrogation or extinction thereof, such corporate official shall have no power of office, but the

same shall be without prejudice to any vested contract right to compensation for services rendered or tendered.

SECTION 33 – DEPOST OF PUBLIC FUNDS

All moneys belonging to or collected for the use of the public corporation coming into the hands of any officer thereof, shall immediately be deposited with the County Treasurer or other legal depository to the credit of such public corporation for the benefit of the funds to which they belong.

SECTION 34 – PRIVATE USE OF PUBLIC FUNDS PROHIBITED

The making of profit out of public money or using the same for any purpose not authorized by law by any officer having the possession or control thereof is prohibited.

SECTION 35 – ESTABLISHMENT AND MAINTENANCE OF OFFICE AND RECORDS

A public corporation shall:

- A. Maintain a principal office at a location within the limits of the County;
- B. File and maintain current with the County Auditor a listing of all corporate officials, their positions, the address of its principal office and of all other offices used by it, and a current set of its rules and regulations;
- C. Place the statement set forth in Subsection 14.A.3 or as amended pursuant to Section 16 in a prominent location in its principal office and at all other offices where the public may readily see it; and print or stamp said statement on all contracts, bonds, and other documents that may entail any debt or liability by the public corporation; and
- D. Establish and maintain such additional records as may be prescribed by the Board of Commissioners. Except as otherwise authorized by the Board of Commissioners, the public corporation shall retain such records for a period of three (3) years.

SECTION 36 – REPORTS AND INFORMATION

A public corporation shall:

- A. File an annual report with the County Auditor containing an audited and certified statement of assets and liabilities and of income and expenditures during the previous year with a summary of projects and activities conducted;
- B. Furnish the Board of Commissioners with such statements, records, reports, data and information, as the Board of Commissioners may

request pertaining to matters connected with any projects or activities of the public corporation; and

- C. Answer fully and within a reasonable time any written inquiries by appropriate County officials in the course of their duties about its finances, organization or activities.

SECTION 37 – AUDITS AND INSPECTIONS

A public corporation shall, at any time during normal business hours and as often as the Board of Commissioners, the County Auditor or the State Auditor deem necessary, make available to the Board of Commissioners, the County Auditor and the State Auditor for examination all of its financial records and will permit the Board of Commissioners, the County Auditor and the State Auditor to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions or employment and other data relating to all of the aforesaid matters.

SECTION 38 – BONDS AND NOTES

- A. Bonds and notes issued by the public corporation may be secured by the full faith and credit of the public corporation or may be made payable solely out of certain revenues and receipts as may be designated in the proceedings under which the issuance of the bonds and notes are authorized. All bonds or notes shall carry in a prominent place thereof the statement set forth in Section 14.A.3 or as amended pursuant to Section 16. All bonds and notes or liabilities occurring thereunder shall be satisfied exclusively from the assets or credit of such public corporation, and no creditor or other person shall have any recourse to the assets, credit or services of the County thereby.
- B. Bonds and notes of the public corporation may be sold at such price or prices, at public or private sale, in such manner and from time to time as may be determined by the public corporation. Bonds and notes may be made payable at such place or places whether within or without the state, may bear interest at such rate or rates, may be in such form and denominations and of such tenor and maturities, may be in bearer form or in registered form as to principal and interest or as to principal alone, reserve such rights to redeem at such price or prices and after such notice or notices and on such terms and conditions, all as the public corporation may determine and provide in the proceedings under such bonds and notes shall be issued.
- C. A public corporation may at the time of the issuance of such bonds and notes make such covenants with the purchasers and holders of said bonds and notes as it may deem necessary to secure and guarantee the payment of the principal thereof and the interest thereon, including but not limited to covenants to set aside adequate reserves to guarantee payment of principal and interest; to appoint a trustee or trustees to safeguard the expenditure of the proceeds of sale of such

bonds and notes and/or take possession and use or operate and manage corporate assets securing the bonds and notes in the event of default or insolvency of the public corporation, with such powers as may be contained in any covenants relating to the bonds and notes; and to limit the amount, time and/or conditions under which additional bonds and notes may be issued or debts incurred.

- D. A public corporation may pay expenses, premiums, and commissions which it may deem necessary in connection with the issuance and sale of its bonds and notes and take such other actions or make such commitments as necessary or convenient in the issuance and servicing of such bonds and notes.

SECTION 39 - INTERVENTION

- A. When authorized by resolution of the Board of Commissioners after a public hearing held with notice to the public corporation, the Board of Commissioners as provided in said resolution may intervene, and exercise such control over a public corporation as is necessary and appropriate to correct any deficiency and/or to assure that the purposes of a program undertaken may be reasonably accomplished, including directing affirmative action, when:
1. The Board of the public corporation has requested such intervention by resolution;
 2. The public corporation has failed to set forth the statement required by Subsection 1.B and set forth in Subsection 14.A.3 in written contracts, bonds or other documents;
 3. The public corporation has represented to the public or to creditors that recourse may be had to the assets, property or credit of the County on account of acts or omissions of the public corporation;
 4. The public corporation has failed to file an annual report as required by Subsection 36.A after notice of such omission;
 5. A deadlock has occurred in the Board, or the membership of the Board is insufficient to constitute a quorum for conduct of affairs so that the public corporation is unable to conduct its operations or perform its projects and activities;
 6. The Board has failed to conduct three (3) consecutive monthly meetings; or the public corporation has neglected or refused to conduct a meeting after notice from the Board of Commissioners to do so pursuant to Section 29.
 7. The Board has unreasonable impaired public participation in the conduct of projects and activities;

8. The assets of the public corporation have been or are committed to be misapplied or wasted, or illegally expended; or
 9. The public corporation has committed or is about to commit a material violation of this Ordinance or its charter.
- B. The Board of Commissioners may take such actions as necessary to achieve the object of the intervention stated in the resolution of the Board of Commissioners and make corrections or revisions ancillary thereto, and shall accomplish the purposes of the intervention as expeditiously as reasonable; corporate officials shall not be displaced nor the conduct of their duties impaired more than necessary to accomplish the purpose of the intervention and the intervention shall cease as soon as the objective stated in the resolution and corrections ancillary thereto have been accomplished.

SECTION 40 - TRUSTEESHIP

- A. The County, by resolution of the Board of Commissioners, after a public hearing held with notice to the public corporation, may petition the Superior Court to impose a trusteeship over a public corporation organized pursuant to this chapter and to appoint the trustees therefore under any of the following circumstances:
1. The Board of the public corporation has required the same by resolution;
 2. The public corporation has filed a statement of dissolution preparatory to termination of its existence;
 3. The public corporation becomes insolvent or otherwise unable to carry out its contractual obligations to creditors and other persons;
 4. The charter was procured through fraud or misrepresentation of any material matter that has an effect upon the projects or activities to be undertaken;
 5. The public corporation has filed an annual report with the County Auditor that is false or deceptively misleading on a material matter;
 6. The public corporation is incompetent or ineligible to carry out the public purposes for which it was chartered; or
 7. The assets of the public corporation have been or are committed to be misapplied or wasted, or illegally expended, or a violation of this Ordinance has been committed or is about to be committed, and the Board of Commissioners determines that

intervention as provided in Section 39 would not be feasible under the circumstances.

- B. The trustee(s) appointed by the Superior Court shall take such actions as necessary during the trusteeship to achieve the reasonable object thereof. The trustee(s) shall have the power and authority to reorganize the public corporation and amend its charter and/or its rules and regulations; suspend and/or remove corporate officials, and manage the assets and affairs of the public corporation; and exercise any and all corporate power as necessary or appropriate to fulfill outstanding agreements, to restore the capability of the public corporation to perform the functions and activities for which it was chartered, to reinstate its credit or credibility with its creditors or obliges; and, if so authorized by the Superior Court, to oversee its dissolution.

SECTION 41 – TERMINATION

The existence of a public corporation may be terminated by resolution of the board of Commissioners after a public hearing, held with notice to the public corporation and affording it a reasonable opportunity to be heard and present evidence, under any of the following circumstances:

- A. The Board of the public corporation has requested the same by resolution;
- B. The public corporation has discontinued its projects and activities for which chartered or remained inactive for a period of six (6) months in succession;
- C. A judgment of a court of competent jurisdiction shall have become final, which annuls the existence of the public corporation, or prohibits it from conducting all or the major portion of the activities for which chartered or permits recourse by creditors of the public corporation or other persons to the assets, or property or credit of the County on account of any debts, obligations or liabilities of the public corporation;
- D. Any one or more of the circumstances for imposition of a trusteeship stated in Subsection 40.A.3 through A.7 inclusive, together with an affirmative finding by the Board of Commissioners that a trusteeship would not be feasible under the circumstances or could not attain its objective; and that termination is warranted; or
- E. Continuous trusteeship of the public corporation for one (1) year, or the imposition of a trusteeship for whatever cause(s) three (3) times in any one (1) year period.

Subject to any limitations that may be imposed by the judgment of a court of competent jurisdiction, provision shall be made in any termination of the public corporation's existence for causes designated in this Section for payment of any obligations, bonds, notes or other

contracts of indebtedness from the rights and assets of the public corporation so that such bonds and contracts not be impaired.

SECTION 42 – DISSOLUTION – STATEMENT

Upon enactment of a resolution by the Board of Commissioners for dissolution of the public corporation or by the public corporation for its own dissolution (other than for purposes of merger or reorganization in a plan approved by the Board of Commissioners), the public corporation shall file, with the Board of Commissioners, a dissolution statement signed by its chief executive officer setting forth:

- A. The name and principal office of the public corporation;
- B. The debts, obligations and liabilities of the public corporation, and the property and assets available to satisfy the same; the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; and the estimated time for completion of its dissolution;
- C. Any pending litigation or contingent liabilities;
- D. The Board resolution providing for such dissolution and the date(s) and proceedings leading toward its adoption, whenever the dissolution be voluntary; and
- E. A list of persons to be notified upon completion of dissolution.

The Board of Commissioners shall review the statement filed and oversee the dissolution to protect the public interest and prevent impairment of obligation, or if so authorized by law, authorize or initiate proceedings in the Superior Court for the appointment and supervision of a receiver for such purposes. Upon satisfactory completion of dissolution proceedings, the Board of Commissioners shall indicate such dissolution by inscription of "charter cancelled" on the original charter of the public corporation, on file with the County Auditor and, when available, on the duplicate original of the public corporation, and the existence of the public corporation shall cease. The County Auditor shall give notice thereof to the Secretary of State and other persons requested by the public corporation in its dissolution statement.

SECTION 43 – MERGER WITH ANOTHER PUBLIC CORPORATION

An application by a public corporation to merge with or into another public corporation organized under this chapter shall be processed in the same manner as a charter amendment by the public corporation and as an application for charter in accordance with Sections 9 and 10; the merger shall require the approval of the Board of Commissioners by Resolution. The resolution shall specify the effective date of the merger. In the event of such a merger, all of the rights, assets and property of the public corporation shall vest in the surviving public corporation or successor public corporation.

SECTION 44 – TERMINATION – DISPOSITION OF ASSETS

Upon termination of the existence of a public corporation, all of the rights, assets and property of the public corporation shall pass to and be distributed as provided by agreements with donors or other parties at the time of acquisition of the property regarding its disposition. Subject thereto, all of the rights, assets and property of a public corporation shall be tendered to the entity first listed below and, if not applicable or not accepted, to the next listed entity in succession:

- A. To the surviving or successor public corporation in event of merger as provided in Section 43;
- B. To the County;
- C. To some other local municipal corporation that performs similar activities or functions for which the assets were acquired or are devoted;
- D. To nonprofit organizations performing community service, charitable or educational activities similar to the projects and activities for which the assets were acquired; provided the Board of Commissioners may in its discretion by resolution with respect to any particular dissolution;
 - 1. Authorize the Board of Commissioners for and on behalf of the County to contract with the public corporation for the disposition of its rights, assets and property, and thereby designate the recipient and the terms and purposes of the transfer of assets and property; and
 - 2. Establish procedures and terms and conditions for transfer and acceptance of the rights, assets and property of the public corporation to any of the aforesaid entities;
- E. To the state for use in or application upon projects and activities or functions for which the assets were acquired or are devoted;
- F. To the United States, any of its departments or agencies; a public authority created by the United States; or an organization acting as an authorized agent of the United States; or
- G. To a corporate fiduciary or other trustee, in trust for or use under the direction of any of the aforesaid entities for the purposes, projects and activities for which the assets were acquired or devoted.

All rights, property and assets of the public corporation upon transfer shall be vested in the entity receiving and accepting the same, together with any appurtenant obligations and liabilities.

SECTION 45 – INSURANCE

Each public corporation chartered pursuant to this chapter shall maintain in full force and effect public liability insurance in an amount specified by the Board of Commissioners sufficient to cover potential claims for bodily injury, death or disability and for property damage, which may arise from or be related to projects and activities of the public corporation and naming the County as an additional insured.

SECTION 46 – UNAUTHORIZED REPRESENTATION

All persons who assume to act for the public corporation without authority to do so shall be jointly and severally liable for the debts and liabilities incurred or arising as a result thereof.

SECTION 47 – ANCILLARY AUTHORITY

The Board of Commissioners and County Auditor are granted all such power and authority as reasonably necessary or convenient to enable them to administer this chapter efficiently and to perform the duties and responsibilities specifically assigned to them by express provision of this ordinance and the charter of the public corporation.

SECTION 48 – CONSTRUCTION

This Ordinance shall be liberally construed so as to effectuate its purposes and the purposes of state law.

SECTION 49 – WAIVER

When requested by a public corporation to secure or carry out federal grants or programs, the County may waive compliance by the public corporation with any particular provision of this Ordinance, which may be inconsistent with the terms and conditions of the federal grant or program insofar as necessary to enable the public corporation to secure and carry out such grant or program

SECTION 50 – PROHIBITED CONDUCT

- A. No current corporate official or employee of a public corporation shall:
1. Engage in any transaction or activity which is, or would to a reasonable person appear to be, in conflict with or incompatible with the proper discharge of official duties, or which impairs, or would to a reasonable person appear to impair, the officer's or employee's independence of judgment or action in the performance of official duties;
 2. Use his or her official position for a purpose that is, or would to a reasonable person appear to be, primarily for the private benefit of the officer or employee, rather than primarily for the benefit of the public corporation; or

3. Have a financial or other private interest, direct or indirect, personally or through a member of his or her immediate family, in any contract or non-contractual transaction to which the corporation may be a party, and fail to disclose such interest prior to the formation of the contract, or prior to the time the corporation enters into the transaction.

B. A corporate official or Board member who has a direct or indirect financial interest in any matter coming before the Board shall disclose to the Board the nature and extent of such interest, and shall refrain from voting, or attempting to influence any other corporate official or Board member, on the matter, unless the corporate official or Board member must participate in, or vote on, the matter out of necessity on the matter.

SECTION 51 – ENFORCEMENT

Upon receipt of a complaint, alleging a violation of this Ordinance, the Board of Commissioners may designate a person to investigate the complaint. The designee shall investigate the matter fully and report his/her findings to the Board of Commissioners. The Board of Commissioners shall take whatever action it deems appropriate, after giving all interested parties an opportunity to be heard. The Board of Commissioners may restrict comments to written correspondence only. The Board of Commissioners shall have no power to levy fines, but it may refer the matter to the County prosecutor if there is reason to believe that criminal laws have been broken.

PASSED BY THE BOARD OF PACIFIC COUNTY COMMISSIONERS MEETING IN regular session at South Bend, Washington, by the following vote, then signed by its membership and attested to by its Clerk in authorization of such passage this 26th day of October, 2004.

2 AYE; 0 NAY; 0 ABSTAIN; 1 ABSENT

APPROVE AS TO FORM

David Burke
David Burke, Prosecuting Attorney

BOARD OF COUNTY COMMISSIONERS
PACIFIC COUNTY, WASHINGTON

Norman Cuffel
Norman Cuffel, Chairman

Jon Kaino
Jon Kaino, Commissioner

ATTEST:

Kathy Noren
Kathy Noren, Clerk of the Board

Pat Hamilton, Commissioner