

RESOLUTION NO. 2258-18

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON (the "DISTRICT"):

- 1. DECLARING ITS APPROVAL OF PUBLIC UTILITY RISK MANAGEMENT SERVICES ("PURMS") RESOLUTION NO. 6-7-18-1 AND RATIFYING THE AFFIRMATIVE VOTE ON SAID RESOLUTION BY THE DISTRICT'S VOTING REPRESENTATIVE AT THE PURMS SEMI-ANNUAL BOARD MEETING ON JUNE 7, 2018; and**
- 2. DECLARING ITS APPROVAL OF THE PURMS 2018 AMENDED AND RESTATED INTERLOCAL AGREEMENT ("2018 ILA") AND AUTHORIZING THE DISTRICT'S SIGNING REPRESENTATIVE TO EXECUTE THE DUPLICATE ORIGINAL SIGNATURE PAGE FOR THE 2018 AMENDED AND RESTATED ILA FOR AND ON BEHALF OF THE DISTRICT.**

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
Skagit County, Washington

BE IT RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, as follows:

A. PURMS Joint Self-Insurance Program and the District's Participation in PURMS' Risk Pools.

WHEREAS, Public Utility District No. 1 of Skagit County, Washington ("District") is a municipal corporation organized and existing under and by virtue of the Constitution and the laws of the State of Washington;

WHEREAS, Public Utility Risk Management Services ("PURMS") is an unincorporated association of Local Government Entities organized and existing under the laws of the State of Washington, including RCW 48.62 *et. seq.* (*re* "Local Government Insurance Transactions"), RCW 39.34 *et. seq.* (the "Interlocal Cooperation Act") and other applicable statutes enacted to permit and facilitate the joint exercise by Local Government Entities of their powers;

WHEREAS, the District is currently a signatory to the PURMS' Interlocal Agreement, originally dated December 20, 1976 (then called the "Self-Insurance Agreement" or "SIA"), as most recently amended and restated and adopted by PURMS' Members, effective as of November 10, 2011 (hereinafter, "2011 ILA");

WHEREAS, PURMS is also subject to WAC § 200-100 *et. seq.* governing local government entity liability and property joint self-insurance programs, and WAC § 200-110 *et. seq.* governing health and welfare joint self-insurance programs (collectively, "Programs");

WHEREAS, PURMS exists and operates pursuant to the terms of its Interlocal Agreement for the purpose, among other things, of providing its Members with joint self-insurance coverage and jointly purchased excess or stop-loss coverage for liability claims, property losses and health and welfare benefits, and joint administration and handling of claims relating to such coverages, through three separate Risk Pools known as the "Liability Pool", the "Property Pool" and the "Health & Welfare Pool" (collectively, PURMS' "Risk Pools");

WHEREAS, pursuant to ¶ 6 of the 2011 ILA, the business and affairs of PURMS and its Risk Pools are managed and governed by and through its Board of Directors ("Board") and implemented day-to-day by PURMS' Administrator ("Administrator");

WHEREAS, the District is currently a Member of PURMS and participates in one or more of PURMS' Risk Pools; and

WHEREAS, the District has determined that its ongoing participation as a Member of such Risk Pool(s) provides the District with the benefits and costs savings of joint self-insurance coverage, jointly purchased excess or stop-loss insurance and common administration through the Risk Pool(s).

B. Notice and Publication of Proposed 2018 Amended and Restated PURMS Interlocal Agreement – Waiver of any Defects in Notice

WHEREAS, the PURMS 2011 ILA is being amended and restated in the form of the 2018 Amended and Restated ILA (sometimes referred to as the "2018 ILA") in order to incorporate certain amendments that have already been approved by the PURMS Board and Members via previously adopted PURMS Resolutions, as well as additional proposed amendments that were considered for the first time by the Board and Members at the PURMS Semi-Annual Board Meeting on June 7, 2018;

WHEREAS, the 2018 Amended and Restated ILA, reflecting the provisions of the 2011 ILA that are being substantively amended, was published to the Members of PURMS on PURMS Website on May 10, 2018, with Notice and a link thereto provided by email to the Members on that same date;

WHEREAS, ILA ¶ 5.4.5(a) and WAC 200-100-02019 require thirty (30) days' notice to Program Members and the Washington State Risk Manager ("SRM") of any amendments to a Program's interlocal agreement;

WHEREAS, the May 10, 2018, Notice regarding adoption of the 2018 Amended and Restated ILA technically was 2 days short of the required thirty (30) notice to Members regarding amendment of the ILA for consideration at the June 7, 2018, Semi-Annual Board Meeting;

WHEREAS, the provisions of the 2011 ILA that are being substantively amended in the 2018 ILA were identified and generally described in the PURMS Resolution No. 6-7-18-18, which was provided to PURMS' Members, including the District, via email link to PURMS Website ten (10) days before the PURMS Board's Semi-Annual Board Meeting at which the Vote on the amendments and the 2018 Amended and Restated ILA was set to be taken;

WHEREAS, a Director or Voting Representative for every Member was present at or participating by telephone conference call in the June 7, 2018, Semi-Annual Board Meeting and all were provided an opportunity to object to the 2-day shorter-than-required notice and no verbal or written objection was made;

WHEREAS, PURMS Resolution No. 6-7-18-1~~1~~ constitutes a written waiver of any defective Notice as contemplated by ILA ¶ 5.4.5(a); and

WHEREAS, this Authorizing Resolution hereby affirms the District's Voting Representative's waiver of any defects in the Notice relating to amendments reflected in the 2018 Amended and Restated ILA, as contemplated by ILA ¶ 5.4.5(a) and WAC 200-100-02019.

C. Regulatory Requirements for Government Entity Joint Self-Insurance Programs to Amend their Interlocal Agreements.

1. Requirement of Thirty Days' Notice to Members and State Risk Manager for Changes to a Program's "Interlocal Agreement" or "Bylaws".

WHEREAS, WAC 200-100-065(2) requires written notification to SRM prior to implementing any changes to a liability or property Program's interlocal agreement or bylaws;

WHEREAS, WAC 200-110-270 includes the same requirement of written notification to Members and SRM with respect to any changes to the interlocal agreement governing Health and Welfare Programs; and

WHEREAS, SRM was provided with the same Notice and access to the 2018 Amended and Restated ILA as was provided to the PURMS Members, as identified in ¶ B. above.

2. Requirements that Members of a Program must Adopt Authorizing Resolutions approving Amendments to the Program's "Interlocal Agreement" and Sign a Copy of the Amendments.

WHEREAS, WAC 200-100-02021(2) requires:

- a. That changes to a liability or property Program's interlocal agreement be adopted by ordinance or resolution of the governing body of each member ("Authorizing Resolution");
- b. That a copy of the Amendments be signed by each member's "authorized representative" (hereinafter, referred to as "Signing Representative"); and
- c. That a copy of the adopted Authorizing Resolution and the signed Amendments be provided to and retained by the Program.

WHEREAS, WAC 200-110-280(2) contains identical requirements for changes to a health and welfare Program's interlocal agreement;

WHEREAS, the 2011 ILA also requires the same or similar notice, procedures and documentation (see ¶¶ 5.4.3 – 5.4.5);

WHEREAS, therefore, as a result of these WAC and ILA requirements:

- a. The "governing body" of each PURMS Member must adopt this Authorizing Resolution approving the 2018 Amended and Restated ILA and designating the Member's "Signing Representative"; and
- b. In addition, since the Amendments to the 2011 ILA are incorporated into the 2018 Amended and Restated ILA, each Member's Signing Representative must execute a Duplicate Original Signature Page to the 2018 Amended and Restated ILA.

D. District's Ratification of Vote of Voting Representation approving PURMS Resolution No. 6-7-18-1.

WHEREAS, on June 7, 2018, the PURMS Board met for its Semi-Annual Meeting and, among other things, considered Resolution No. 6-7-18-1;

WHEREAS, the Voting Standard applicable to adopting the 2018 Amended and Restated ILA is a Unanimous Vote of all PURMS Members;

WHEREAS, a Voting Representative for each of the nineteen (19) current Members of PURMS participated in the Semi-Annual Board Meeting, either in person or via telephone conference call, as established by a Roll Call at the meeting;

WHEREAS, the District's Director, Al Littlefield ("Voting Representative"), attended the Semi-Annual Board Meeting, Voted in favor of PURMS Resolution No. 6-7-18-1 approving the 2018 Amended and Restated ILA, and signed the Resolution on behalf of the District;

WHEREAS, the District hereby approves PURMS Resolution No. 6-7-18-1 and ratifies the affirmative Vote of its Voting Representative at the PURMS Semi-Annual Board Meeting; and

WHEREAS, a copy of PURMS Resolution No. 6-7-18-1, as unanimously approved and executed at the June 7, 2018, Semi-Annual Board Meeting, is attached to this Authorizing Resolution as **Exhibit 1**.

E. The District's Adoption of the Authorizing Resolution is in the Best Interest of the District.

WHEREAS, the Commission, as governing body for the District, has reviewed and considered PURMS Resolution No. 6-7-18-1, the amendments to the 2011 ILA as incorporated into the 2018 Amended and Restated ILA, and the terms of the 2018 Amended and Restated ILA and finds them acceptable and consistent with the insurance needs of the District as a Member of PURMS and a continuing participant in one or more of its Risk Pool(s); and

WHEREAS, the Commission, as governing body for the District, further finds the terms of this Authorizing Resolution acceptable and consistent with the insurance needs of the District as a Member of PURMS and a continuing participant in one or more of its Risk Pool(s).

F. Effective Dates of the Amendments to the 2011 ILA and the PURMS 2018 Amended and Restated ILA.

WHEREAS, the District approves the Effective Dates for the various Amendments to the 2011 ILA, and for the 2018 ILA itself, as provided in ¶ VIII. of PURMS Resolution No 6-7-18-; and

WHEREAS, the District further approves and ratifies the *de facto* earlier implementation of certain of the Amendments to the PURMS 2011 ILA, as provided in prior PURMS' Resolutions or in the Amendments themselves, or as may have been directed by the Board or Executive Committee, notwithstanding whether the Effective Dates or *de facto* implementation dates preceded the District's approval and adoption of this Authorizing Resolution, and the District hereby specifically approves any such earlier Effective Dates or implementation of the Amendments to the 2011 ILA.

G. Signing Representative Authorized by the District to Execute Documents relating to the PURMS 2018 Amended and Restated ILA.

WHEREAS, ¶ IX.C.1 of Resolution No. 6-7-18-1 contemplates that each Member shall identify its Director, Designated Employee or other representative specifically authorized by this Authorizing Resolution to execute the 2018 Amended and Restated ILA on behalf of and binding upon the District ("Signing Representative"); and

WHEREAS, the Commission, as the governing body for the District, hereby designates George Sidhu, holding the position of General Manager with the District, as its Signing Representative, to sign the Duplicate Original Signature Page for the PURMS 2018 Amended and Restated ILA, attached hereto as **Exhibit 2**.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND ORDERED as follows:

Section 1: The Commission hereby acknowledges timely receipt of Notice of PURMS publication to Members on its Website of the proposed 2018 Amended and Restated Interlocal Agreement and timely receipt of PURMS Resolution No. 6-7-18-1, and further, hereby waives any objection it might have regarding the adequacy of the Notice to the Board and Members of the amendments to the 2011 ILA.

Section 2: The Commission finds that PURMS Resolution No. 6-7-18-1 and the 2018 Amended and Restated Interlocal Agreement adequately and appropriately assist PURMS in maintaining compliance with existing applicable laws and in the prudent and efficient operation and administration of PURMS' Risk Pools, and therefore, benefit the District as a Member thereof.

Section 3: The Commission finds that approving Resolution No. 6-7-18-1 and the 2018 Amended and Restated Interlocal Agreement are in the best interests of the District, and the District hereby approves the same.

Section 4: The Commission further hereby ratifies the affirmative Vote of its Voting Representative approving Resolution No. 6-7-18-1 at the PURMS June 7, 2018 Semi-Annual Board Meeting.

Section 5: The Commission hereby approves and adopts the PURMS 2018 Amended and Restated Interlocal Agreement, as published to Members as described in ¶ B. above, and subject to any necessary conforming changes or corrections approved by the PURMS Executive Committee prior to final publication of the 2018 Amended and Restated ILA by PURMS on its Website.

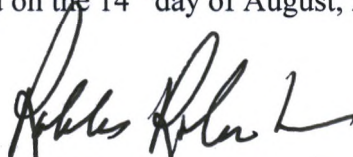
Section 6: Without limiting the generality of Section 5 above, if the District is or becomes a Member of the PURMS Liability and/or Property Pool, the District hereby expressly adopts the Liability and Property Pool "Program Funding Rules" contained in ¶ 13A. of the 2018 Amended and Restated ILA.

Section 7: Without limiting the generality of Section 5 above, if the District is or becomes a Member of the PURMS Health and Welfare Pool, the District hereby expressly adopts the Health and Welfare Pool "Program Funding Rules" contained in ¶ 13B. of the 2018 Amended and Restated ILA.

Section 8: The Commission hereby authorizes its Signing Representative designated in ¶ G. above to sign the Duplicate Original Signature Page for the PURMS 2018 Amended and Restated ILA and to provide the executed Duplicate Original Signature Page, along with a copy of this Authorizing Resolution as approved and fully executed by the Commission, to PURMS' Administrator within forty-five (45) days from receipt of this Authorizing Resolution.

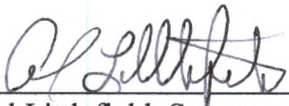
Section 9: This Authorizing Resolution shall be in effect from and after its date of passage; provided, the Authorizing Resolution hereby ratifies application of and action taken under any of the Amendments to PURMS' Interlocal Agreement that may have Effective Dates or otherwise be or have been implemented prior to the date of passage of this Authorizing Resolution, as provided in ¶ F. above.

ADOPTED by the Commission of Public Utility District No. 1 of Skagit County, Washington, at a regular meeting thereof, held on the 14th day of August, 2018.

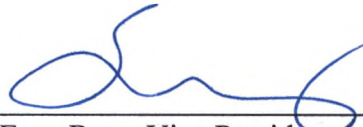


Robbie Robertson, President

ATTEST



Al Littlefield, Secretary



Eron Berg, Vice President



SKAGIT PUD Authorizing Resolution No. 2258-18

EXHIBIT 1

**PURMS Board Resolution No. 6-7-18-1 re *Adoption of PURMS 2018 Amended and Restated Interlocal Agreement*
(Attached)**

PURMS BOARD RESOLUTION NO. 6-7-18-1

for
**PUBLIC UTILITY RISK MANAGEMENT SERVICES
JOINT SELF-INSURANCE FUND**

I.

General Authority and Background

WHEREAS, pursuant to the authority granted in RCW 48.62 *et. seq.*, Public Utility Risk Management Services ("PURMS") has established and operates three Risk Pools through which the local government entity Members of the Risk Pools jointly self-insure liability, property and health & welfare claims (respectively, "Liability Pool", "Property Pool" and "H&W Pool");

WHEREAS, the operation of these Risk Pools and the rights and obligations of the Members of the Risk Pools are governed by an agreement entitled "Interlocal Agreement for the Public Utility Risk Management Services Joint Self-Insurance Fund" ("PURMS' Interlocal Agreement" or "ILA"), which incorporates by reference the other program documents identified in ¶ 5.1 of the ILA (including Coverages, Assessment Formulas and Claims Resolution Procedures, "Program Documents") collectively constituting the PURMS "Joint Self-Insurance Agreement" (or "SIA");

WHEREAS, the ILA, which was originally dated December 20, 1976, over the years has been amended and restated, as needed and appropriate, pursuant to RCW 48.62 *et. seq.* and RCW 39.34 *et. seq.*, as most recently amended and restated pursuant to PURMS Resolution No. 11-10-11-1 on November 10, 2011 ("2011 ILA");

WHEREAS, pursuant to ¶ 6 of the 2011 ILA, the business and affairs of PURMS are managed and governed by the Board of Directors ("Board"), which consists of one Director from each PURMS Member; and

WHEREAS, ¶ 4.2 of the 2011 ILA provides that PURMS shall have all of the authority granted or implied by applicable Washington law.

II.

Purpose of Resolution – Adoption of 2018 Amended and Restated ILA

WHEREAS, the 2011 ILA is being amended and restated in the form of the 2018 Amended and Restated ILA ("2018 ILA") in order to incorporate certain amendments that have already been approved by the Board and Members, as well as additional proposed amendments being considered for the first time by the Board and Members, as set out in more detail in ¶ III. below; and

WHEREAS, the amendments being approved and/or incorporated into the 2018 ILA fall into three categories:

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1. The Liability and Property Pool “Funding Rules” approved by the Board in 2016 (“2016 L&P Funding Rules”; see ¶ III.A below);
2. Some general amendments being proposed on issues that have been identified based on experience under the terms of the 2011 ILA (“Experience Amendments”; see ¶ III.B below); and
3. Newly prepared “Supplemental Voting Procedures” to help ensure that PURMS can timely amend its Program Documents in the future while still complying with the requirements of WAC 200-100-02021(1) and the requirements of the Washington Open Public Meetings Act (RCW 42.30 et. seq.) (“Supplemental Voting Procedures”; see ¶ III.C below).

III.

Overview of Amendments Incorporated in 2018 ILA

A. Incorporation of Previously Approved 2016 Liability and Property Pool Funding Rules.

WHEREAS, at the November 3, 2016, Board meeting, by Resolution No. 11-3-16-3, the Board adopted substantial revisions to the Program Funding Rules for the PURMS Liability and Property Pools contained in the 2011 ILA, for the reasons stated in § II thereof (“2016 L&P Funding Rules”);

WHEREAS, the 2016 L&P Funding Rules were designed to facilitate the Liability and Property Pools’ ongoing compliance with the Program Funding Requirements contained in WAC 200-100-03001 by providing mechanisms to adjust the Risk Pools’ funding from year-to-year in response to changes in the required Actuarial Funding Levels established each year by the annual Actuarial Report the Risk Pools are required to obtain under WAC 200-100-03001;

WHEREAS, Resolution No. 11-3-16-3 provided in ¶ X.D. that the Effective Date for the 2016 L&P Funding Rules would be deemed to be November 3, 2016, once sufficient Members approved the Resolution;

WHEREAS, providing Members with an Authorizing Resolution for formally adopting the 2016 L&P Funding Rules to the ILA ultimately was delayed to allow some additional amendments to the 2011 ILA so all could be adopted at one time, in one document;

WHEREAS, following their 2016 adoption by Resolution, the 2016 L&P Funding Rules have been further revised and clarified in several respects, as identified by pink font in various places in ¶ 13A of the 2018 ILA;

WHEREAS, the 2016 L&P Funding Rules that were adopted at the November 3, 2016, Board meeting and the additional revisions and clarifications referenced above are now set forth in final form in ¶ 13A of the 2018 ILA;

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WHEREAS, the provisions of the L&P Funding Rules that have been clarified and amended since the original adoption of the 2016 L&P Funding Rules and incorporated into the 2018 Amended and Restated ILA are identified by paragraph reference and subject heading as set out below:

- ¶ 13A.2.2(b) – Replenishing Risk Pool’s Actual Balance via Assessments – Determining the Amount of the Assessment.
- ¶ 13A.8.2 – Funding by Contingent Reserves Assessments – Issuance and Collection.
- ¶ 13A.9.4 – Pre-Funding Contingent Reserves – Accounting for and Payment of Claims Costs.
- ¶ 13A.11.3(a) – Withdrawing Members’ and Former Members’ Ongoing Obligation to pay Assessments for Contingent Reserves.
- ¶ 13A.11.3(a) – Withdrawing or Former Member’s Right to Participate in Declared Refund of Surplus Contingent Reserves.
- ¶ 13A.13.4 – Accounting for Special Purpose Account Funds.

WHEREAS, the nature, purpose and effect of these amended provisions of the 2016 L&P Funding Rules have been reviewed and discussed at the Operations Committee meeting on May 31, 2018, and the Administrative and Executive Committee meetings on June 6, 2018, and all questions of Committee members were satisfactorily answered by the Administrator and/or PURMS Counsel.

B. Adoption and Incorporation of Previously Proposed 2017 “Experience” Amendments.

WHEREAS, the other provisions of the 2011 ILA that have been amended are identified by paragraph reference and subject heading as set out below (except for the new Supplemental Voting Procedures which are addressed in ¶ III.C. below):

- ¶ 9.1.4. Executive Committee Authority to Interpret and Apply the ILA and other Program Documents.
- ¶ 14.6 – PURMS and/or Risk Pools’ Authority to Purchase Other Excess, Different or Additional Insurance.

WHEREAS, the nature, purpose and effect of these proposed amendments have been reviewed and discussed at the Operations Committee meeting on May 31, 2018, and the Administrative and Executive Committee meetings on June 6, 2018, and all questions of Committee members were satisfactorily answered by the Administrator and/or PURMS Counsel.

C. Adoption and Incorporation of the New Supplemental Voting Procedures.

WHEREAS, the new proposed Supplemental Voting Procedures amending the 2011 ILA are identified by paragraph reference and subject heading as set out below:

Resolution No. 6-7-18-1 re: *Adoption of PURMS 2018 Amended and Restated Interlocal Agreement*

¶ 5.3.2 – Amendments to Program Documents – Adjournment and Supplemental Voting Procedure.

¶ 5.4.4. – Requirements of Authorizing Resolutions.

¶ 6.3. Board Meetings – One Member/One Vote – Majority Vote and Quorum – Other Voting Standards – Adjournment and Supplemental Voting Procedure.

WHEREAS, The changes in ¶ 6.3.4 go hand-in-hand with those in ¶ 5.3.2 (discussed above); Paragraph 5.3.2 allows the Supplemental Voting Procedure to be applied in amending the PURMS Program Documents that are subject to a Voting Standard greater than Majority Vote; Paragraphs 6.3.4 and 6.3.5 set forth the substance of the new Supplemental Voting Procedures and provide that they apply to *any* issue that is before the Board that is subject to a Voting Standard greater than Majority Vote:

¶ 6.3.4. Board Meeting Procedures to secure Maximum Member Participation in Board Votes on Amendments to Program Documents and Important Resolutions.

(a) Preset Time Range for Board Votes to Facilitate Member Remote Participation/Voting and Satisfying Applicable Voting Standards.

(b) Roll-Call Vote – Identification of Members Not Voting on the Decision Issue at the Board Meeting – Remotely Voting Members’ Execution of Duplicate Original Signature Page.

(c) Procedure if Decision Issue is not Finally Decided by the Votes at the Board Meeting.

¶ 6.3.5 Adjournment and Supplemental Voting Procedure to Facilitate Satisfying Voting Standards for Decision Issues that are subject to a Higher than Majority Vote.

(a) Member’s Right to Submit a Supplemental Vote at Reconvened Meeting until Final Resolution of Board Decision Issue.

(b) Providing Members with Notice of Reconvened Meeting, Decision Issue, Applicable Voting Standard and a Copy of the Signature Page, as then Executed.

(c) Reconvened Board Meeting.

(d) Documenting Vote at Reconvened Meeting.

WHEREAS, the nature, purpose and effect of the new proposed Supplemental Voting Procedures have been reviewed and discussed at the Operations Committee meeting on May 31, 2018, and the

Resolution No. 6-7-18-1 re: *Adoption of PURMS 2018 Amended and Restated Interlocal Agreement*

Administrative and Executive Committee meetings on June 6, 2018, and all questions of Committee members were satisfactorily answered by the Administrator and/or PURMS Counsel.

IV.

Notice to Members – Waiver of any Defects – Agenda and Resolution

WHEREAS, as required by ¶ 7.1.2(a) of the 2011 ILA, the Board's Agenda sent to Members ten (10) days before consideration at its semi-annual meeting on June 7, 2018, includes a reference that there will be a Vote at the Board meeting on this **Resolution No. 6-7-18-1 re *Adoption of PURMS 2018 Amended and Restated Interlocal Agreement***.

WHEREAS, by email from the Administrator, dated May 10, 2018, all Members were provided a link to the PURMS Website where the 2018 Amended and Restated ILA is fully set forth with the provisions of the 2011 ILA that are being amended identified in color font;

WHEREAS, the same information was provided at the same time in the same manner by PURMS' Administrator to Shannon Stuber of the State Risk Manager's Office, as required by WAC 200-100-02019;

WHEREAS, ¶ 5.4.5 of the ILA provides for notice and a copy of the proposed amendments to the ILA to be provided to Members thirty (30) days prior to the Board meeting to adopt such amendments;¹

WHEREAS, WAC 200-100-02019 requires a similar thirty (30) day notice to the Members and the State Risk Manager' Office of any proposed amendments to the bylaws or interlocal agreement;²

WHEREAS, the May 10, 2018, notice regarding adoption of the 2018 Amended and Restated ILA (which includes the 2016 L&P Funding Rules, the two "Experience" Amendments and the new

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5.4.5. Amendment of ILA – Notice and Procedure. PURMS shall provide Members of all Risk Pools with notification of any proposed Amendments to the ILA thirty (30) days in advance of the Board meeting at which such proposed Amendments are to be considered and voted upon, along with a copy of the proposed Amendments; provided, however:

(a) Written Waiver of Thirty Day Notice. Notice of amendment of the ILA less than thirty (30) days from the Board meeting may be waived by a Member's Director in writing at the Board Meeting with the same effect as the thirty (30) day notice would have had.

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WAC 200-100-02019
Standards for operation—Notification of changes to bylaws or interlocal agreement.

Every joint self-insurance program shall provide notification of the intent to change the bylaws or interlocal agreement to each member of the joint self-insurance program and the state risk manager by regular or electronic mail at least thirty days in advance of the meeting during which a vote on the proposed change will occur. Such notification shall include a copy of proposed changes.

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changes to the Supplemental Voting Procedures), technically, was 2 days short of the required thirty (30) notice to Members regarding amendment of the ILA for consideration at the June 7, 2018, Semi-Annual Board Meeting;

WHEREAS, all of the amendments in substantially their current form, except for the new changes to the Supplemental Voting Procedures, were provided to Members on October 3, 2017, thirty (30) days before the Board's November 2, 2017, Annual Meeting at which they were originally set to be considered (hereinafter, collectively referred to as the "Proposed 2017 ILA Amendments");

WHEREAS, all of the Proposed 2017 ILA Amendments, including the additional clarifications to the 2016 L&P Funding Rules, were presented and discussed in some detail at the October 25, 2017, Operations Committee meeting;

WHEREAS, ¶ 5.4.5(a) of the ILA provides that notice less than thirty (30) days before the Board meeting may be waived by the Directors in writing at the meeting;

WHEREAS, all Directors or Voting Representatives present at or participating in the June 7, 2018, Semi-Annual Board meeting were provided an opportunity to object to the 2-day shorter-than-required notice and no verbal or written objection was made;

WHEREAS, this Resolution No. 6-7-18-1 shall constitute such a written waiver of any defective notice as contemplated by ILA ¶ 5.4.5(a);

WHEREAS, given:

- (a) PURMS' prior discussions of the Proposed 2017 ILA Amendments, including subsequent changes and clarifications to the 2016 L&P Funding Rules; and
- (b) The cover letter to PURMS Members, dated May 8, 2018, submitted by PURMS' General Counsel along with the 2018 Amended and Restated ILA, which explains the history and reasons for PURMS' original Supplemental Voting Procedure contained in the 2011 ILA, and further explains the reasons for the proposed amendments thereto reflected in the new Supplemental Voting Procedures;

The Board, and the Directors participating in the Board meeting, find it necessary and appropriate to waive the thirty (30) day notice requirement of ILA ¶ 5.4.5 for the two days' short notice under the circumstances; and

WHEREAS, the Board further finds that the two days' short notice of the amendments reflected in the 2018 Amended and Restated ILA, under the circumstances, constitutes substantial compliance with the notice requirement of WAC 200-100-02019, and to the extent they have legal authority to do so, the Board and the Members hereby waive any objection under WAC 200-100-02019 relating to the actual notice given.

V.

Board Findings with respect to 2018 Amended and Restated ILA

WHEREAS, the PURMS Administrative Committee and Executive Committee are recommending that the Board, and PURMS' Members: (a) approve and adopt all of the proposed amendments to the 2011 Interlocal Agreement; and (2) approve and adopt the 2018 Amended and Restated ILA, as so amended;

WHEREAS, the Board has reviewed the amendments to the provisions of the 2011 ILA and Board members have asked whatever questions deemed necessary of the Administrator and/or General Counsel regarding the same, and the Board finds the proposed amendments to the 2011 ILA and the adoption of the 2018 Amended and Restated ILA are appropriate to the operations and funding of the Risk Pools.

VI.

Voting Standard – Unanimous Vote

WHEREAS, all PURMS Members that participate in at least one Risk Pool must be signatories to the Interlocal Agreement;

WHEREAS, this Resolution No. 6-7-18-1 and adoption of the amendments to the 2011 ILA require a Unanimous Vote of all PURMS' current Members signatory to the 2011 ILA (*see* ILA ¶ 5.4.1(a) and 5.4.2).

VII.

Definitions for 2018 ILA

WHEREAS, most if not all of the words and phrases in the 2018 Amended and Restated ILA needing to be defined are short-titled where first used in the text of the ILA;

WHEREAS, for convenience of future reference, an alphabetical list of these short-titled words and phrases, with cross-references to paragraphs in the ILA where they are used, will be published on PURMS' Website.

VIII.

Effective Dates of Amendments Incorporated in 2018 ILA

WHEREAS, the effective date for adoption of the 2018 Amended and Restated ILA shall be deemed to be as of June 7, 2018, notwithstanding the date that the last PURMS Member approves this Resolution No. 6-7-18-1 pursuant to the Unanimous Voting Standard, except to the extent provided otherwise in ¶¶ A., B. and C. below:

- A. WHEREAS, the effective date for the 2016 L&P Funding Rules shall be as of November 3, 2016, as provided in Resolution No. 11-3-16-3 adopting those Funding Rules, which shall also be the effective date of the additional amendments to the 2016 L&P Funding Rules being approved pursuant to this Resolution No. 6-7-18-1, as identified in ¶ III.A;

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- B. **WHEREAS**, the effective date for the Experience Amendments shall be as of the effective date of this 2018 Amended and Restated ILA, as provided in the first WHEREAS clause in this ¶ VIII; and
- C. **WHEREAS**, the Amendments establishing or relating to the new changes to the Supplemental Voting Procedures (including the ¶¶ identified in III.C. above) shall be effective as of the effective date of the 2018 Amended and Restated ILA; provided that such Supplemental Voting Procedures shall be deemed effective and applicable, retroactively to the extent necessary for such Procedures to be applicable to the Vote to approve and adopt this 2018 Amended and Restated ILA.

IX.
RESOLUTION

NOW, THEREFORE, be it resolved that:

A. **Adoption of this Resolution No. 6-7-18-1.**

The Board hereby adopts this Resolution No. 6-7-18-1 in its entirety, giving substantive effect to the WHEREAS clauses where appropriate. This Resolution shall become effective, as of June 7, 2018, on the date the Voting Representative of last PURMS Member signs the Resolution or a PURMS Officer signs the Resolution on behalf of and with the express authorization of a Member, thereby making the Vote for adoption of the 2018 Amended and Restated ILA unanimous.

B. **Adoption of 2018 Amended and Restated ILA.**

The Board hereby Votes to adopt the 2018 Amended and Restated ILA, in the form published to the Members on PURMS Website on May 10, 2018, subject to the Executive Committee's ongoing authority with respect to the same, as provided in ¶ 9.4.1 of the 2018 ILA, and further subject to any ministerial or non-substantive corrections or conforming changes General Counsel determines need to be made prior to final publication of the 2018 ILA on PURMS' Website.

C. **Post-Board Meeting Action – Member Adoption of 2018 Amended and Restated ILA by Authorizing Resolution – Publication of 2018 ILA.**

1. **Authorizing Resolutions for Members and Execution of Duplicate Original Signature Pages.** Following the Board meeting, the Administrator and General Counsel shall provide each Member with a form of Authorizing Resolution for the Member to use to reflect the approval and adoption of the 2018 Amended and Restated ILA by the Member's governing body. Each Member shall also be provided with a duplicate original signature page for the 2018 Amended and Restated ILA to be executed by the Member representative designated in the Member's Authorizing Resolution. The adopted Authorizing Resolution and the signed duplicate original Signature Page for the 2018 ILA shall be returned to PURMS' Administrator in due course.

Resolution No. 6-7-18-1 re: *Adoption of PURMS 2018 Amended and Restated Interlocal Agreement*

2. **Publication of 2018 ILA to Members on PURMS' Website.** The final approved and adopted 2018 Amended and Restated ILA shall be published on PURMS' Website, with notice provided to Members thereof.
 3. **ILA Table of Contents and Separate Alphabetical List of Definitions for Words and Phrases used in 2018 ILA.** To facilitate Member access to provisions and use and understanding of the 2018 ILA, the Website shall also provide a Table of Contents for the 2018 ILA and a separate alphabetical list of Definitions for the words and phrases used in the 2018 ILA.
- D. **Ongoing Executive Committee Authority.** Consistent with the authority of the Executive Committee, as clarified in ¶ 9.1.4 of the 2018 ILA, the Executive Committee shall have the authority to make decisions regarding any issue that arises in connection with final adoption and publication of the 2018 Amended and Restated ILA, subject to review by the Board and provided in ¶ 9.1.4.

X.
RECORD of ROLL CALL

re
Members Present or Participating in Meeting Remotely

1. PURMS Board consists of a total of nineteen (19) Members and the affirmative Vote of all Members is required to pass this Resolution No. 6-7-18-1.
2. The Record of the Roll Call at the Board Meeting is as follows [Note: to be completed in hand at the Meeting by or under the direction of a PURMS Officer]:
 - a. **Members Participating in the Meeting Remotely (via telephone conference call):**

<u>Name of Member</u>	<u>Name of Voting Representative</u>
<u>Kalsap PUD</u>	<u>JARON NUTSFORD</u>
<u>NOAHLET</u>	<u>CASSY PATTERSON</u>
<u>OKANOGAN PUD</u>	<u>DOLE COPPACIK</u>

b. **Members Absent and not Participating or Voting Remotely:** NONE.

<u>SKAMAWIA PUD</u>	<u>RANDY PAYNE</u>
<u>THURSTON PUD</u>	<u>JULIE PARKER</u>
_____	_____
_____	_____

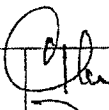

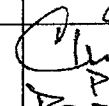
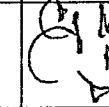

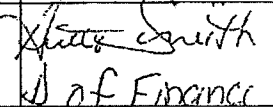
Resolution No. 6-7-18-1 re: Adoption of PURMS 2018 Amended and Restated Interlocal Agreement

Based on the Roll Call, a Quorum of _____ PURMS Directors entitled to Vote on this Resolution was present at or otherwise participated in this June 7, 2018 Semi-Annual Board Meeting.

XL.
RECORD OF VOTES
For Resolution No. 6-7-18-1

Name of PURMS Member	Members Voting at the Meeting or Voting Remotely* [Use initials of Voting Representative]		Members Voting Via Reconvened Meeting [pursuant to Supplemental Voting Procedure]		Signature and Title of Member's Voting Representative *	Date of Signature
	Vote for Resolution No. 6-7-18-1	Vote against Resolution No. 6-7-18-1	Vote for Resolution No. 6-7-18-1	Vote against Resolution No. 6-7-18-1		
Asotin PUD	DN				Don MacCall Commissioner	6-7-18
Benton PUD	KW				M. Webb Treasurer	6/7/18
Clallam PUD	P				Debbie Ferguson District Auditor Commission Appointee	6/7/2018
Grays Harbor PUD	TD				M. Jones Admin Services Coordinator	6/7/18
Jefferson PUD	KE				Kenneth Collins Commissioner	6-7-18
Kitsap PUD	Cx				Chas. Jones PURMS PRESIDENT	6-7-18
Klickitat PUD	ASD				Paul Jones Commissioner	6/7/18
Lewis PUD	DD				Dean Dahlin Commissioner	6-7-18
Mason PUD No. 3	BT				Travis Taylor Auditor / Risk Manager	6-7-18
NoaNet	Cx				Chas. Jones PURMS PRESIDENT	6.7.18

Resolution No. 6-7-18-1 re: Adoption of PURMS 2018 Amended and Restated Interlocal Agreement

Okanogan PUD	CK				 PURMS PRESIDENT 6-7-18
Pacific PUD No. 2	TA				Dan Thompson Commissioner 6-7-18
Pend Oreille PUD	CK				 Commissioner 6-7-18
Skagit PUD	al				Al Lelliford Comm. At 6-7-18
Skamania PUD	CK				 PURMS PRESIDENT 6-7-1
Stevens PUD	DH				Dan Harris General Manager 6/7/2018
Thurston PUD	Cje				 PURMS PRESIDENT 6-7-18
Wahkiakum PUD	EW				Elni Wilson Auditor 06/07/2018
Whatcom PUD					 Steve Smith Dir of Finance 6-7-18

* A PURMS Officer shall indicate the Vote and sign the signature space and insert the date for the Votes of any Members Voting Remotely at the Meeting.

PURMS OFFICERS: By signature below, the indicated PURMS' Officers Attest to:

- (1) The RECORD of ROLL CALL reflected in ¶ X above.
- (2) The Summary of Votes from the Meeting as reflected below based on the RECORD of VOTES in ¶ XI above.

Number of Votes Required to Pass the Resolution: 19

Total Number of Members that Voted at the Board Meeting: 19

Total Votes in favor of Resolution No. 6-7-18-1: 19

Number of Members that did not Vote at Board Meeting: 0

Resolution No. 6-7-18-1 re: Adoption of PURMS 2018 Amended and Restated Interlocal Agreement

Identity of Members that did not Vote at Board Meeting: NONE.

Status of Vote as of Conclusion of Board Meeting: RESOLUTION No. 6-7-18-1 PASSED WITH UNANIMOUS VOTE

(3) Motion for Adjournment and Reconvened Board Meeting:

[NOTE: This section to be completed.]

By: [Signature]
Curtis Knapp, Commissioner, Pend Oreille PUD
PURMS President

Date: 6-7-18

By: [Signature]
Randy Knowles, Commissioner, Klickitat PUD
PURMS Vice-President

Date: 6/7/18

By: [Signature]
Don Nuxoll, Commissioner, Asotin PUD
PURMS Secretary

Date: 6.7.18

EXHIBIT 2

Duplicate Original Signature Page
for
PURMS 2018 Amended and Restated Interlocal Agreement

ASOTIN COUNTY PUD By: _____ Its: _____ Date: _____	BENTON COUNTY PUD By: _____ Its: _____ Date: _____
CLALLAM COUNTY PUD By: _____ Its: _____ Date: _____	GRAYS HARBOR COUNTY PUD By: _____ Its: _____ Date: _____
JEFFERSON COUNTY PUD By: _____ Its: _____ Date: _____	KITSAP COUNTY PUD By: _____ Its: _____ Date: _____
KLICKITAT COUNTY PUD By: _____ Its: _____ Date: _____	LEWIS COUNTY PUD By: _____ Its: _____ Date: _____
MASON COUNTY PUD NO. 3 By: _____ Its: _____ Date: _____	NOANET By: _____ Its: _____ Date: _____
OKANOGAN COUNTY PUD By: _____ Its: _____ Date: _____	PACIFIC COUNTY PUD NO. 2 By: _____ Its: _____ Date: _____
PEND OREILLE COUNTY PUD By: _____ Its: _____ Date: _____	SKAGIT COUNTY PUD By: <u>George Sidhu</u> George Sidhu Its: <u>General Manager</u> Date: <u>08/14/18</u>
SKAMANIA COUNTY PUD By: _____ Its: _____ Date: _____	STEVENS COUNTY PUD By: _____ Its: _____ Date: _____

SKAGIT PUD Authorizing Resolution No. 2258-18

EXHIBIT 2

THURSTON COUNTY PUD By: _____ Its: _____ Date: _____	WAHKIAKUM COUNTY PUD By: _____ Its: _____ Date: _____
WHATCOM COUNTY PUD By: _____ Its: _____ Date: _____	