

**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 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 14<sup>th</sup> day of August, 2018.

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Robbie Robertson, President

ATTEST

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Al Littlefield, Secretary

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Eron Berg, Vice President