

RESOLUTION NO. 818

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) DELEGATING ADMINISTRATIVE POWERS AND DUTIES OF THE GENERAL MANAGER AND DESIGNEES, REPEALING ALL PRIOR RESOLUTIONS DEALING WITH THE SAME SUBJECT MATTER.

WHEREAS, RCW 54.16.100 authorizes the Board of Commissioners of Public Utility District No. 1 of Whatcom County (Commission) to delegate administrative powers and duties to the General Manager through this resolution known as the “Delegation of Authority”, and

WHEREAS, the Commission now wishes to amend and extend the existing Delegation of Authority to continue to provide a master policy directive on the delegated administrative powers and duties of the General Manager and designees and to repeal any resolutions dealing with the same subject matter; and

WHEREAS, the existing Delegation of Authority adopted by Resolution 767-Amended expires on December 31, 2021, the Commission has determined to replace that Delegation of Authority with this Resolution and Delegation of Authority effective upon adoption and shall remain in effect, unless amended, until December 31, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Whatcom County as follows:

Section 1. The master policy directive of the Commission of the Public Utility District No.1 of Whatcom County as set forth herein, is adopted for the purpose of establishing the delegated administrative powers and duties of the General Manager and his/her designees. This policy directive will remain in effect until December 31, 2023 unless it is extended prior to that date. This policy will be reviewed and affirmed annually each succeeding year following its adoption.

Section 2. All portions of resolutions heretofore approved by the Commission pertaining to the subject matters contained in this resolution are hereby repealed.

Section 3. The following policy directive on the delegated administrative powers and duties of the General Manager is hereby adopted.

I. PREAMBLE

A. The following policy is adopted by the Commission of the Public Utility District No. 1 of Whatcom County for the purpose of establishing the administrative powers and duties of the General Manager who is responsible for District operations. The General Manager may delegate to District personnel such administrative authority or reporting requirements herein established as is necessary and advisable in the efficient exercise of the General Manager's powers and duties.

B. This policy sets forth specific delegations of power and duties from the Commission to the General Manager. This policy shall not be interpreted to limit the duties or responsibilities of the General Manager, as those duties are determined from time-to-time by the Commission. The General Manager may designate a senior District employee to act in the place of the General Manager with regard to the powers and duties in the absence of the General Manager and with notification to the Commission. The authority of the General Manager to designate a senior District employee to act in the place of the General Manager for purposes of making purchases is limited to the purchasing authority granted in the “purchasing limits” set forth in Exhibit A to this resolution, unless specified otherwise by direct action of the Commission, or as established in RCW 54 (PUD Laws).

Subject to the limits within this delegation, the responsibility for all administration and operations of the District rests with the General Manager.

C. To implement delegations of authority to District personnel, the General Manager shall promulgate policy and procedural manuals, monetary and budgetary directives and other

such documents as personnel position descriptions, affirmative action plans, safety manuals, etc. which shall provide a clear span of authority and responsibility to the designees of the General Manager.

D. Any Commission directives or initiatives shall be made through the General Manager and shall be made only by the Commission acting as a body of the whole. Those directives include but are not limited to the policies adopted by the Commission, including but not limited to travel policy, rate schedules, financial guidelines, standard rates/practices, and personnel policies.

E. The phrase "administration and District operations", as used herein, means the regular day-to-day business of the District, including but not limited to, operating, maintaining, and administering all of its properties, facilities services and programs; including the implementation of construction work, alterations, repairs, maintenance, and improvements of the District's physical facilities; and, the necessary planning incidental thereto; the conduct of financial accounting and legal matters as they relate to the District's operation; the administration of all other operations which include personnel administration (i.e., hiring, firing, salary and benefits, training, grievance procedures, task and project assignments, employee training and incentive programs, etc.); the execution and administration of contracts; publish legal notices; and, all other pertinent functions.

F. The General Manager shall inform the Commission regarding significant information, incidents, and business transactions by methods agreeable to the Commission. The General Manager shall report to the Commission those actions as within this delegation. The General Manager is the managing official of the District, appointed by the Commission, and holds office as their representative. **Nothing herein should be construed in any way as abrogating the duties and the responsibilities of the Commission.**

II. **POLICY GOVERNING REAL PROPERTY**

A. **Lease Arrangements:** All real property when available for leasing shall, except as otherwise provided herein below, be leased only under an appropriate written lease instrument executed by the Commission accompanied by a lease bond or other form of security in accordance with law. However, the General Manager may execute short-term leases (one year, or less) subject to all of the following conditions:

1. The appropriate lease surety must be in place consistent with statutory requirements and the District's standard form of lease, with the exception of State and Federal leases that require the use of the tenant's lease form as long as the content of the lease form does not materially change the District's intent in its standard lease form.

2. The arrangements for short-term occupancy shall be evidenced by the District's standard form of lease, (except that any clearly inapplicable provision or provisions inconsistent with the policy herein set out shall be deleted from the standard form).

3. The amount of the rental shall be in accordance with the rental revenue standards adopted by the Commission for similar District property of the same or similar class and type and devoted to similar uses.

4. The use to which the property may be put by the tenant shall be expressly stated and shall be in accordance with the standards of use adopted by the Commission for the same or similar District property or properties.

5. The lease may not be renewed or otherwise extended beyond one year without prior Commission approval.

B. **Other Real Property Related Actions:** The General Manager is authorized to execute the following property instruments, subject to the terms specified herein:

1. Execution of temporary and permanent easements for purposes of utility installments only where the District is the beneficiary of such easement, according to terms and conditions approved by the Commission in advance, or attached hereto as an Exhibit.

2. Changes in name of responsible party to the lease if all other conditions, including primary ownership, remain the same.

3. Response to estoppels and attornments.

C. Lease Renewals: The General Manager is authorized to renew leases provided such renewals are provided for in the basic lease; all other substantive terms of the lease remain unchanged; rental adjustments provided for in the lease are made; and, the lease is in good standing.

D. Lease Enforcement and Lease Terminations: The General Manager is authorized to enforce all terms and conditions of District leases. The General Manager is authorized to issue all appropriate notices of default and/or notices of termination with regard to District leases. The General Manager is authorized to terminate any lease under the terms and conditions therein. Upon termination, the General Manager is authorized to take all steps necessary to retake possession of the leasehold and recover for the District all sums due the District pursuant to the lease and the law. The General Manager shall keep the Commission informed with respect to lessees that are issued default notices or termination notices.

III. POLICY GOVERNING CONTRACTS FOR PROVISION OF WATER DELIVERY SERVICES

A. Irrigation Water Contracts: The General Manager shall have the responsibility for following all required statutory procedures in connection with all irrigation water service contracts. The General Manager is authorized to, without prior Commission approval, execute on behalf of the District any renewal of a contract for irrigation services if the customer is in good standing with the District relative to the payment on account for previous service, and conditions 1-4 below are satisfied. The General Manager is authorized, without prior Commission approval, to execute on behalf of the District any new irrigation service contract with new customer in a form approved by the Commission, provided that the following criteria are satisfied:

1. The agreement requires the District to provide irrigation water to three hundred (300) acres of land or less;

2. The estimated irrigation water usage under the agreement does not exceed ten percent (10%) of the District's total water right allowed for irrigation;

3. The estimated cumulative irrigation water usage of all existing irrigation agreements and the new irrigation agreement does not exceed eighty percent (80%) of the District's total irrigation water right; and

4. The agreement meets all other criteria, as determined by the Commission, for irrigation water service.

5. The estimated annual revenue amount would not exceed \$50,000 or annual gallon consumption estimated below 20 million gallons of water and the contract meets all standard District requirements and the estimated consumption of water in the new contract will not cause the District to exceed its allowed use of water for irrigation purposes.

B. Industrial Water Contracts: The General Manager shall have the responsibility for following all required statutory procedures in connection with all industrial water service contracts. The General Manager is authorized, without prior Commission approval, to execute on behalf of the District any amendment to or renewal of an existing industrial water contract if:

1. The term of the contract is not extended more than 1 year,

2. The value of the amendment or renewal does not exceed \$100,000 or 10% of the annual value of the existing contract, whichever is greater, or,

3. The amendment is not a re-assignment of the contract to a new party to the agreement.

C. Special Services Contracts: The General Manager shall have the responsibility

for following all required statutory procedures in connection with contracts for the provision of special services to other public agencies and private sector clients. An example of such a service is where the District staff delivers maintenance or operation service to a city, another water district or a private company for a charge. The General Manager is authorized, without prior Commission approval, to execute on behalf of the District any new special service contract with a private party for such services with a cost not to exceed \$100,000 and no additional District staffing or additional staff equipment is needed in the provision of these services and the General Manager informs the Commission of such action.

IV. POLICY GOVERNING CONTRACTS FOR PERFORMANCE OF WORK, PUBLIC WORK, ELECTRONIC DATA PROCESSING & TELECOMMUNICATION SYSTEMS, PROFESSIONAL SERVICES, AND CONSTRUCTION OR IMPROVEMENT OF AN ELECTRICAL FACILITY

A. Contract Awards: The General Manager shall have the responsibility for following all required statutory procedures in connection with all contracts. The General Manager is authorized to carry out all procedures required by applicable statutes preliminary to the acts required to be performed by the Commission at an open meeting. The General Manager may, without prior Commission approval, execute on behalf of the District contracts for \$100,000 or less so long as the expenditure is within the limits of overall budgetary authority as approved by the Commission.

B. Emergency Contracts: When any emergency shall require the immediate execution of a contract, the General Manager, pursuant to the procedures of RCW 39.04.020 (and as amended), is authorized to make a finding of the existence of such emergency and execute any contract necessary to respond to the existing emergency, provided that the General Manager shall, at the first Commission meeting following the General Manager's finding of the existence of an emergency, request District Commission ratification of the finding of an emergency and any contract awarded or executed pursuant to this authority. From the inception of any such emergency, the General Manager shall continuously advise the Commission of the status of the emergency situation and the progress of any such contracts executed to remedy the emergency. Emergency contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his/her work and materials used to the time of termination.

C. Change Orders: In the instances where contracts have been awarded and under which the work is in progress, and individual changes in plans and/or specifications are necessitated in order to properly accomplish the work, the General Manager is authorized, without prior Commission approval, to execute individual change orders to the contract following the guidelines set forth in the current Purchasing Policy. The General Manager's authorized approval limit for change orders is the same as the delegated purchasing limit (currently \$100,000), so long as the expenditure is within the limits of overall budgetary constraints as approved by the Commission, and the limits on approval of change orders including the cumulative change order limitations set forth in the District's Purchasing Policy.

V. POLICY GOVERNING CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT, SUPPLIES AND SERVICES

A. Purchase of Materials, Equipment, Supplies, Work, and Services: The General Manager shall have the responsibility for following all required statutory procedures, where applicable, in connection with all contracts for the acquisition of materials, equipment, supplies work, and services. The General Manager or designee may, without prior Commission approval, execute on behalf of the District, contracts for materials, equipment, supplies, work, or services for amounts up to \$100,000 or such other amount as set forth in the District's Purchasing Policy, so long as the expenditure is within the limits of overall budgetary constraints as approved by the Commission, and the limits on approval of change orders including the cumulative change order limitations set forth in the District's Purchasing Policy.

B. Emergency Contracts for Acquisition of Materials, Equipment, Supplies, and Services: When an emergency shall require the immediate acquisition of materials, equipment, supplies, and services, the General Manager is authorized to make a finding of the existence of such emergency and execute any contract for acquisition of materials, equipment, supplies, and services necessary to respond to the existing emergency, provided that the General Manager

shall, at the first Commission meeting following the General Manager's finding of the existence of an emergency, request District Commission ratification of the finding of an emergency and any contract awarded or executed pursuant to this authority. From the inception of any such emergency, the General Manager shall continuously advise the Commission of the status of the emergency situation and the progress of any such public work contracts executed to remedy the emergency. Emergency acquisition contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his/her work and materials used to the time of termination.

VI. POLICY GOVERNING ADJUSTMENT AND SETTLEMENT OF CLAIMS AND PENALTIES EXCEPTING THOSE COVERED BY PARAGRAPH XIV BELOW

A. Procedure for Settling Claims: The General Manager shall be responsible for the implementation of necessary procedures for the settlement of all claims, either against or on behalf of the District. Procedures in the handling of such claims shall, at a minimum, include the following:

1. For purpose of this Paragraph VI, "claim" shall mean the assertion of any position, penalty, right or responsibility by or against the District, its Commissioners or employees, but not including (1) uncollectible accounts only to the extent as covered in Paragraph X herein, or (2) claims asserted by or against the District which have or may become the subject of litigation.

2. No claims against the District shall be considered unless and until proper notice has been served by the claimant upon the District as provided by law.

3. All claims for or against the District may be processed in all respects (except for their final approval and payment) by the General Manager or Legal Counsel. No such claims shall be submitted to the Commission until a tentative agreement has been reached with the parties concerned for their settlement.

4. Except as provided under Section B below, no claims shall be finally approved for settlement except by the Commission and no claim shall be paid except as authorized by the Commission.

B. General Manager's Authority to Settle Claims Against the District: Any claim asserted against the District and arising from District operations and not exceeding .05% of annual District operating revenues for the last complete fiscal year for a single claim, or that does not personally name a Commissioner, may be adjusted and settled by the General Manager without approval by the Commission but only on the recommendation of Legal Counsel that the settlement of the claim proposed is in the best interest of the District taking into account all relative factors including, but not limited to, the cost of litigation and the effect of the particular settlement on the District's overall risk management strategy. All such claims, when settled, shall be reported to the Commission.

VII. POLICY GOVERNING TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE DISTRICT

A. General Manager's Authority: The General Manager is authorized to approve travel by employees and/or other authorized representatives of the District in order to effectuate necessary District operations, provided that the travel expenses are within the annual budget approved by the Commission, and provided that the Commission shall be advised prior to all international travel (excluding Canada).

VIII. POLICY GOVERNING STAFF AND EMPLOYEE ADMINISTRATION

A. General Manager's Authority: The General Manager shall have the authority to manage all personnel matters of District employees and staff which includes hiring, firing, discipline, training, grievance procedures, employee benefits, and administration of the employee salary schedule and, if any, incentive programs. The General Manager shall carry out these responsibilities according to guidelines and policies to be established by the General Manager and within overall budgetary constraints.

IX. POLICY GOVERNING GENERAL MANAGER'S AUTHORITY FOR PROPERTY ACQUISITIONS AND SALES

A. Authority of the General Manager for Acquisitions Authorized by the Commission: When the District Commission authorizes the acquisition of real property by purchase or condemnation, the General Manager shall take all necessary steps, including the securing of appraisals, to secure title of such property for the District. Acquisition price of individual properties (or ownerships) shall in no case exceed the District's appraisal by 10% (ten percent), nor shall the total price paid for all properties exceed the estimates of the District Commission's authorization without further specific Commission authorization.

B. Execution of Documents of Sale: The sale of real property is reserved to the specific Commission authorization. When the Commission authorizes the sale of real property, the General Manager shall take all necessary steps to complete the transaction, including but not limited to, accepting deposits, opening escrow and signing all necessary documents.

X. POLICY GOVERNING DISPOSITION OF UNCOLLECTIBLE ACCOUNTS:

A. Definition of "Write-off": The term "write-off" means the adjustment of the accounting records of the District to reflect the fact that the account is uncollectible in the normal course of operations. The General Manager may authorize Legal Counsel to initiate or continue with legal action to collect an account without regard to whether the account has been written off the accounting records of the District.

B. Procedures: The General Manager is authorized to establish procedures for and to write off any uncollectible account in the amount of .05% of annual operating revenues of the last complete fiscal year or less subject to the following general guidelines:

1. Prior to writing off any account receivable or uncollectible, the General Manager shall be satisfied that every reasonable effort has been made by the District to accomplish the collection of the account.

2. Any account in excess of .05% of annual operating revenues of the last complete fiscal year which is deemed to be uncollectible shall be referred to the District Commission for final write-off.

XI. POLICY GOVERNING LEASE SURETY, SURETY BONDS, RENTAL DEPOSITS, AND INSURANCE POLICIES

A. Authority of the General Manager: The General Manager or his designee is authorized to take all necessary actions on behalf of the Commission in connection with lease surety, lease surety bonds, rental deposits, or insurance coverage required pursuant to any leases of the District, including any of the following actions:

1. Where the lease is not in default, to release any surety, surety bond, or rental deposit where an adequate substitute surety or rental deposit has been provided.

2. To approve any surety, surety bond, rental deposit, certificate of insurance, or insurance policies submitted in fulfillment of the requirements of any lease, including substitute or replacement coverage for any terminated bond, surety, or rental insurance.

3. To approve any substitute or modifications of surety or insurance coverage, and to release any surety or insurance company when substitute or replacement insurance coverage has been provided in connection with any outstanding lease of the District.

XII. POLICY GOVERNING SALE OF PERSONAL PROPERTY

A. Sale of Property Pursuant to RCW 54.16.180: The General Manager or his designee is authorized, pursuant to RCW 54.16.180, to sell, convey, lease, or otherwise dispose of all or any part of the personal property which has become unserviceable, inadequate, obsolete, worn out, unfit, or which is no longer necessary, material to, and useful in such operations subject to the following conditions:

1. That the market value of such personal property does not exceed \$10,000;

and

2. That prior to any such sale or conveyance, the General Manager shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for District purposes; and

3. That the sale of surplus and obsolete property will make all reasonable attempts to receive the highest retrievable value; and

4. That any large block of such property having a value in excess of \$10,000 shall not be divided into components of a lesser value and sold unless done so by public competitive bid, and

5. That no property which is part of the District's Master plan of improvement or modification thereof shall be disposed of until the Master plan has been modified and until such property is found to be surplus to District needs, and

6. That in no case shall surplus personal property be sold to any District official or employee or members of their families without the specific approval of the Commission.

B. The General Manager shall develop and implement policies and practices regarding the circumstances in which District officials, employees, or members of their families, may participate in the purchase of surplus personal property.

XIII. POLICY GOVERNING INVESTMENT OF TEMPORARILY IDLE DISTRICT FUNDS

A. Authority of the General Manager: For purposes of this paragraph, "Temporarily Idle District Funds" shall mean those funds which are not required for immediate expenditure. In accordance with applicable law relating to the investment of public funds, the General Manager is authorized to direct the investment of temporarily idle District funds. These directives shall permit, but shall not be limited to, investments in authorized government securities, sale of such investment and necessary interfund transfers.

XIV. LITIGATION

A. Management and Supervision of Litigations: The General Manager and the District's Legal Counsel (appointed by the Commission) shall be responsible for the procedures necessary for management and supervision of all litigation in which the District has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion or potential assertion of any position, right or responsibility by or against the District, including actions which have been filed in any court or any quasi-judicial or administrative forum.

B. Special Legal Services: The General Manager, on consultation with the District's Legal Counsel, is authorized to retain other such special counsel at fees as may be negotiated to assist in the handling of any claims, litigation, or other matters necessary to attend to the legal affairs of the District, within overall budgetary constraints.

C. Engagement of Experts: The General Manager may engage or cause to be engaged through Legal Counsel, such experts as may be necessary for the orderly support of claims or litigation in which the District has a direct or indirect interest, without limitations otherwise prescribed in Paragraph IX of this resolution. Such engagement shall be upon authorization given by Legal Counsel after having satisfied himself that such expenditure is necessary to the adequate preparation and representation of the District's position in such litigation or claim and shall, wherever practicable, include evaluation of the litigation or claim and an estimate of the probable cost of such experts.

D. Consultation with Commission: In instances of litigation in which the value has, or is likely to exceed .05% of annual operating revenues of the last complete fiscal year, the General Manager will in conjunction with the District's Legal Counsel consult with the Commission regarding strategy and the economic impact of litigation.

XV. RENEWABLE ENERGY CREDITS (RECS) FROM BONNEVILLE POWER ADMINISTRATION (BPA)

A. General Manager's Authority: The General Manager shall have the authority to sell Renewable Energy Credits (RECS) from the Bonneville Power Administration (BPA) to a third party, subject to the terms and conditions set forth herein. Any such transaction shall be reported to the Commission at the next regularly scheduled commission meeting.

For each calendar year, the General Manager shall not sell RECS the District possesses for less than the aggregate dollar amount of the same number of RECS it has purchased that calendar year, without Commission approval.

XVI. PUBLIC RECORDS ACT COMPLIANCE, AND NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENTS

A. The General Manager and his/her designee shall implement public record and retention policies adopted by the Commission, and shall implement the same in a manner consistent with State and Federal laws. Provided however, nothing in this resolution shall obligate or require the District to assert or to not assert any exemption under the Public Records Act. The General Manager in consultation with the District's legal counsel, may use his/her discretion in asserting any exemption to the disclosure of public records as provided in State or federal law.

B. Non-Disclosure and Confidentiality Agreements. From time to time potential and/or existing customers of the District may seek a confidentiality agreement with the District for a variety of reasons, which may include interests of national security, critical infrastructure facilities, and/or the protection of private party proprietary rights or interests. The General Manager is authorized to execute such agreement provided that such agreements expressly allowed disclosure of public records when (1) requested by any member of the public, (2) when such records are not exempt from disclosure under the Public Record Act or other State or Federal Law, and (3) such agreement is approved by the District's legal counsel.

XVII. TERM

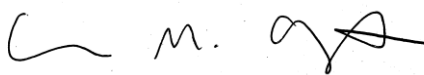
The term for this Master Policy Directive shall be in effect upon adoption to December 31, 2023 unless amended or extended prior to that date.

XVII. PRIOR RESOLUTIONS TERMINATED

All prior resolutions in conflict with or inconsistent with this Resolution are hereby terminated.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting thereof held this 27 day of September, 2022.

**Public Utility District No. 1 of
Whatcom County**



Christine Grant, President/Commissioner



Atul Deshmane, Vice President/Commissioner



Mike Murphy, Secretary/Commissioner

Public Utility District No. 1 of Whatcom County
 Authorized Purchasing Limits

POSITION **AUTHORIZED LIMIT***

	Commissioners.....	\$3,000
Revised	General Manager.....	\$100,000
	Assistant General Manager.....	\$25,000
	Director of Finance	\$10,000
	Broadband Program Manager.....	\$10,000
	Director of Utility Operations.....	\$7,500
	Manager – Automation & Technology Services	\$5,000
	Electric System Supervisor.....	\$3,500
	Chief Water Operator.....	\$2,500
	Project Manager.....	\$2,500
	Manager – Contracts and Regulatory Compliance	\$2,500
	Executive Assistant to General Manager.....	\$2,500
	Accountant 1	\$1,000
	IT/SCADA Technician	\$1,000
New	Automation Technician.....	\$1,000
	Substation Technician.....	\$1,000
	Water System Operators	\$500
OPEN POSITIONS (January 1, 2021)		
	Manager – Construction and Facilities	\$5,000
	Water Systems Supervisor	\$2,500
	Assistant Finance Director.....	\$2,500

*Exclusive of sales tax