

RESOLUTION NO. 08-13326

A RESOLUTION RESTATING AND REVISING
POLICIES AND DELEGATING AUTHORITY
REGARDING CLAIM PAYMENT PROCEDURES
AND RESCINDING RESOLUTION NOS. 05-12779,
05-12685 AND 03-12406

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Commission has previously adopted and modified a policy and procedures regarding claim payment procedures in Resolution Nos. 05-12779, 05-12685 and 03-12406. Those resolutions require additional modifications and updating. This resolution restates the applicable processes, guidelines and delegation of authority to District management for ease of reference and clarity.

The laws of the State of Washington, RCW 42.24.180, authorize certain procedures to expedite the payment of claims and policies regarding purchasing, contracting and disbursements. This legislation authorizes the issuance of warrants or checks in payment of claims after implementation of certain internal control policies, but before the Commission has acted to approve such claims.

The Commission of the District has recognized the need to expedite the payment of claims and the benefits associated with expediting payment of claims.

Certain conditions must be met pursuant to the requirements of RCW 42.24.180. The statutory requirements are: (1) that the auditing officer and the officer designated by the District to sign the checks or warrants paying such claims shall each be required to furnish an official bond; (2) that the Commission adopt contracting, hiring, purchasing and disbursing policies to implement effective internal control; (3) that the Commission provide for its review of the documentation supporting claims paid and for its approval of all checks and warrants issued in payment of claims at the Commission's next regularly scheduled public meeting no later than one (1) month after payment; and (4) if the Commission disapproves of a claim, such claim is to be treated as a receivable and collected diligently.

District staff and the General Manager recommend that the resolutions formerly adopted by the Commission implementing the processes, procedures and policies regarding claim payment procedures should be rescinded.

ACTION

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

Section 1. The Commission finds, after due consideration, that it is in the best interest of the District in many cases to expedite payment of contract claims against the District in a manner authorized by RCW 42.24.180.

Section 2. The claim payment policy and procedures contained in this resolution includes proper internal controls and delegated authority within defined limits. This policy and procedures are hereby approved and adopted as being in the best interest of the District.


Section 3. The District's Auditor, subject to the limitations herein, is authorized to issue warrants for the payment of claims against the District before the Commission has acted to approve such claims provided that the Auditor is then in receipt of creditable evidence that each such claim is properly due, owing and unpaid and provided further that each such claim complies in all respects with the then current internal control policies of the District. Claims against the District in excess of \$150,000, with the exception of claims for District payroll, retirement benefit payments, state and federal taxes, purchased power, medical and dental claims, option premium payments and the monthly claim for the cumulative total of all procurement cards, and claims for payments due under construction or equipment contracts in excess of \$500,000, shall not be paid before the Commission of the District has reviewed the supporting documentation and approved the issue of checks or warrants in payment of such claims or has duly adopted a previous resolution or motion authorizing the expenditure.

Section 4. All claims against the District which are paid before the Commission has acted to approve such claims shall be fully reviewed, and approved or disapproved by the Commission at its regularly scheduled public meeting following such claim payments as required by statute. Such action shall occur no later than one month after payment. If any such claim shall be disapproved by the Commission, the auditing officer shall cause the disapproved claim to be recognized as a receivable of the District and shall pursue collection diligently until the amount disapproved is collected or until the Commission is satisfied and approves such claims.

Section 5. All warrants issued for payment of claims against the District, pursuant to the provisions of this resolution, shall be issued in accordance with the provisions of Resolution No. 02-12008, as may be amended.


Section 6. Resolution Nos. 05-12779, 05-12685 and 03-12406 are rescinded and superseded to the extent inconsistent with this resolution. Attachment No. 5 of Resolution No. 03-12406 regarding delegation of authority to the General Manager and staff regarding line extensions and customer service projects remains in full force and effect.

DATED this 12th day of May 2008.

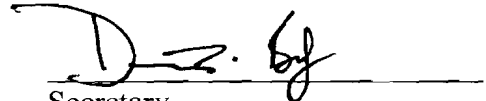


President

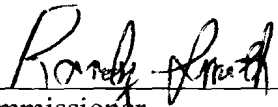
ATTEST:



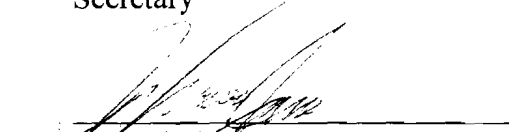
Vice President



Secretary



Commissioner



Commissioner

Seal