

RESOLUTION NO. 11-13681

A RESOLUTION AMENDING THE 1995 REVISED  
SELF-INSURANCE PROGRAM AND DELEGATING  
AUTHORITY TO THE GENERAL MANAGER TO  
SETTLE CLAIMS, PENALTIES AND/OR FINES AS  
DEFINED

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

Pursuant to Resolution No. 96-10443 dated April 22, 1996, the District adopted the 1995 Revised Self-Insurance Program under which meritorious claims against the District, its Systems or its Officers, Commissioners and Employees may be paid and to apportion the costs and risks of such claims amongst the several systems of the District.

Section VI (C)(ii) (Claims Procedures, Settlement Authority) of the Program provides that the General Manager has the authority to settle any and all claims up to \$50,000. It further defines authority of staff to settle lesser claims. This settlement authority has not been updated since adoption. District staff recommends that, in order to respond to claims in a timely manner, particularly after litigation has been filed, additional authority should be granted to the General Manager. In order to ensure transparency of those decisions, reports of settlements should be provided in open sessions as soon as possible.

District staff recommends that it is in the best interest of the District to amend the Self-Insurance Program to authorize the General Manager, or his designee, to settle any and all claims, including those in litigation, up to \$200,000 per claimant without prior Board approval. The General Manager should report settlement of all claims over \$50,000 per claimant to the Board at the next regular meeting.

Further, the District is periodically subject to fines and/or penalties due to on-going business operations. It is important to discuss and resolve those issues with the appropriate regulator in a timely manner. Staff recommends that the General Manager, or his designee, be authorized to resolve regulatory fines and/or penalties with payment up to \$50,000 without prior Board approval. The General Manager will report the resolution of any such fines and/or penalties to the Board at the next regular meeting.

The General Manager has reviewed staff's recommendation and concurs in the same.

**ACTION**

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

Section 1. Section VI (C)(ii) of the District's 1995 Revised Self-Insurance Program is hereby amended to authorize the General Manager, or his designee, to settle any and all claims, including those in litigation, up to \$200,000 per claimant. The authority of named staff in Section VI to settle claims shall be deleted. The General Manager will report settlement of all claims over \$50,000 per claimant to the Board at the next regular meeting.

Section 2. All other provisions of the 1995 Revised Self-Insurance Program shall remain in full force and effect.

Section 3. The General Manager is hereby authorized to resolve regulatory fines and/or penalties up to \$50,000 without prior Board approval. The General Manager will report the resolution of any such fines and/or penalties to the Board at the next regular meeting.

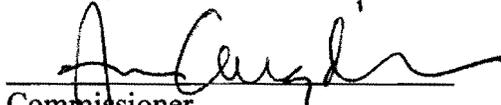
DATED this 17th day of October, 2011.

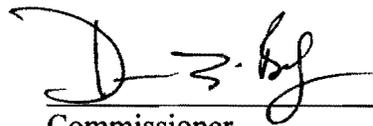
  
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President

ATTEST:

  
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Vice President

  
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Secretary

  
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Commissioner

  
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