

SENATE BILL REPORT

SSB 6244

AS PASSED SENATE, FEBRUARY 17, 1992

Brief Description: Limiting the forms of compensation of public utility district managers.

SPONSORS: Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators L. Smith and von Reichbauer)

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: That Substitute Senate Bill No. 6244 be substituted therefor, and the substitute bill do pass.

Signed by Senators von Reichbauer, Chairman; Erwin, Vice Chairman; Matson, McCaslin, Rasmussen, and Sellar.

Staff: Traci Anderson (786-7452)

Hearing Dates: February 7, 1992

BACKGROUND:

The district manager of a public utility district (PUD) is appointed by the PUD commissioners. The commissioners are responsible for establishing the district manager's compensation (salary and benefits) via a resolution presented at a public hearing of the commissioners. Currently, there are no statutory restrictions on the type or level of compensation that can be provided to PUD managers.

It is suggested that additional information concerning the total value of compensation packages provided to PUD managers should be included in the resolution which establishes such compensation packages.

SUMMARY:

PUDs must provide a full description of the proposed compensation packages, including information on the initial and ongoing costs and the cash value of such packages provided to PUD managers. This information must be included in the resolution which establishes such compensation packages.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This bill will require public disclosure of the actual compensation paid to PUD managers (testimony on substitute).

TESTIMONY AGAINST:

Public utilities need to have the flexibility to craft compensation packages which are competitive with private industry. This bill would inhibit a PUD's ability to devise such packages (testimony on the original bill).

It would be difficult to come up with an estimate of the actual cash value of certain insurance policies and annuities provided to individuals because the value of these items can fluctuate (testimony on substitute).

TESTIFIED: Senator Linda Smith, prime sponsor (pro); R.V. Wachter, citizen (pro); Don Jones, citizen (pro); Wayne Nelson, counsel, Clark County PUD (con); Bruce Bosch, manager, Clark County PUD (con); Rich Birmingham, counsel, Davis Wright Tremaine