WASHINGTON PUBLIC DEPOSIT PROTECTION COMMISSION
MEETING MINUTES
Olympia, Washington
April 11, 2018

The Washington Public Deposit Protection Commission met in special session after notice was duly given to the public.

Present: Duane A. Davidson, State Treasurer, Chairman
Jay Inslee, Governor, Member
Cyrus Habib, Lt. Governor, Member

Also Present:
Shawn Myers, Office of the State Treasurer
Jason Richter, Office of the State Treasurer
Rusty Fallis, Office of the Attorney General
Catherine Mele-Hetter, Office of the State Treasurer
Bill Tonkin, Foster Pepper PLLC
Amy Perry, Office of the State Treasurer
Libby Hollingshead, Office of the Lt. Governor
Brenda Snyder, Office of the State Treasurer
Leo Marquez, Office of the State Treasurer
Stacy Conway, State Investment Board
Theresa Whitmarsh, State Investment Board
Judy Kuschel, State Investment Board
Jen Masterson, Office of Financial Management
Scott Merriman, Office of Financial Management
Shad Pruitt, Office of the State Treasurer

Chairman Duane A. Davidson called the meeting to order at 12:00 p.m. on April 11, 2018, immediately following the State Finance Committee meeting.

Approval of Minutes

Chairman Davidson introduced the minutes from the August 07, 2017, Public Deposit Protection Commission meeting for consideration of approval. There were no corrections and the minutes were adopted after being approved unanimously.

Commission Report on Chair Actions and Approvals

The Public Deposit Protection Commission Administrator, Amy Perry, provided a report to the commission on recent actions authorized or approved by Chairman Davidson, as follows:

Letters of Authorization - Approval of a New Trustee

The Commission members were updated on activity authorized by the Chair granting approval to a new trustee in accordance with Resolution 2012-2. TIB The BankersBank out of Texas was approved as an eligible trustee. A Copy of the approval letter and the trustee's application request letter was included in the briefing book.

Informational Update - SHB 1209

Provided an informational update to the commission on recently passed SHB 1209 which expands credit unions participation in accepting public deposits. SHB 1209, effective June 7, 2018, allows for credit unions to now accept public deposits over the maximum insured amounts, subject to collateralization, from a county with a population of 300,000 persons or less, or other public funds depositors located in a county with a population of 300,000 persons or less. Currently excluded due to population are King, Pierce, Snohomish, Spokane, and Clark Counties. The next closest for exclusion is Thurston County with a population roughly around 260,000.

OST is working on the implementation of this bill, and we still have a lot to review and consider during this implementation process prior to the effective date. Examples of some items currently being reviewed include: system updates for reports and tracking of location, reviewing WACs, resolutions, collateralization, trustee requirements, reports and providing guidance to current credit unions. It was mentioned we may need a Commission Meeting related to this implementation.

Letters of authorization - Approval Public Depositaries

The Commission members were updated on activity authorized by the Chair granting approvals to various financial institutions as public depositaries in accordance with Resolution 2010–4.

The following financial institutions were approved as public depositaries at their Washington branches:

- First Interstate Bank, HQ in Billings Montana (which had acquired Bank of the Cascades)
- United Business Bank, HQ Walnut Creek California (which acquired Plaza Bank)
- Industrial Credit Union of Whatcom County, HQ in Bellingham WA

Copies of the approval letters and the financial institutions request letters are included in the briefing book.

Letters of resolution – Out-of-State and Alien Bank Accounts

The Commission members were updated on out-of-state and/or alien account activity in accordance with Resolution 2005–7, which grants authority to the Chairman to authorize or rescind authorizations for state and local government entities and higher education facilities to establish accounts in out-of-state and alien bank accounts. State Treasurer Duane A. Davidson, as Chairman, authorized the following at the request of UW: ten accounts were rescinded, and two accounts were amended to increase the dollar limits. Explanation was provided on UW's request to increase the dollar limit on these accounts. Copies of the authorization letters and UW request letters are included in the briefing book.

Chairman Davidson adjourned the meeting of the Public Deposit Protection Commission at 12:08 P.M.

STATE OF WASHINGTON
PUBLIC DEPOSIT PROTECTION COMMISSION

STATE TREASURER DUANE A. DAVIDSON, CHAIRMAN

GOVERNOR JAY INSLEE, MEMBER

LIEUTENANT GOVERNOR CYRUS HABIB, MEMBER

ATTEST:

AMY PERRY, ADMINISTRATOR
PUBLIC DEPOSIT PROTECTION COMMISSION