

SunLand Water District

Board of Commissioners Meeting of February 27, 2018

MINUTES

Purpose: Special Meeting

1. **Call to order.** 12:55 PM at 5762 Woodcock Road, Sequim, WA 98382
Attendees: Commissioners Larison, Friess, and Fortmann, Mike Langley, district manager; Karen Shay, bookkeeper; Judy Gamble, office administrator, Lead State Auditor Cheryl Friesen and Assistant Audit Manager Amy Strzalka
2. **Minutes:** It was M/S/P to approve the minutes of the regular meeting of February 13, 2018 as written. (Moved by A. Friess, seconded by Gary Fortmann)
3. **State Accountability Audit Final Review – Cheryl Friesen and Amy Strzalka**

Cheryl distributed copies of the penultimate final report. The final report will contain the District's responses to the audit findings. The report will be sent to the SWD in approximately two weeks. Cheryl explained that the audit is conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. The audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures and internal controls over such matters.

The audit was originally supposed to cover the three years of 2014, 2015 and 2016 at an estimated cost of \$8,500. Because there were many changes made during 2017, the audit includes 2017 through October. The actual audit costs will approximate \$13,000 due to the additional testing and other work required to address the issues identified during the audit.

Audit Results: The report describes the overall results and conclusions for the areas examined. Per the report, in most of the areas, District operations complied with applicable State laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources. The audit also identified areas in which the District could make improvements.

The areas examined were (1) financial condition and financial sustainability; (2) compliance with the Open Public Meetings Act; (3) cash receipting; (4) customer account adjustments and fee waivers; (5) payroll; (6) tracking and safeguarding of small and attractive assets such as computers; (7) procurement for public works, including bidding, prevailing wage and change orders; and (8) compliance with requirements for annual report filing.

Each finding and recommendation for improvement stated in the audit was reviewed and discussed with the Commissioners and SWD Staff.

The State Auditor's Office will be performing a yearly accountability audit of the SWD until full compliance is recognized in all areas recommended for improvement. This annual audit will cost approximately \$7,000 plus per diem expenses.

The Commissioners and SWD Staff thanked both Cheryl and Amy for their work and for their presentation.

4. Old Business

Emergency Contact Update – Karen Shay reported she is investigating a “Code Red” alert system rumored to have been put in use by Clallam County to provide information to County residents in the event of an emergency. Perhaps the system is available for use in case of an emergency situation in SunLand

The implementation of the One Call Now communication system presented by SunLand resident, Greg McDonald and discussed in the November 21, 2017 meeting, had been put on hold awaiting Ricki Bele’s return from sick leave to the SunLand Owners Association. At a joint meeting held with SLOA held in early December, attended by SWD’s Karen Shay, it was agreed that Ricki would be the main contact point to initiate the program and the SWD and SLOA would share the expenses and be partners in establishing a system to ensure efficient communication among all SunLand owners. Ricki has returned to work but on a part-time basis and will not be able to work on the project in the near term. Since the SWD is anxious to get something in place, Ricki agreed that the SWD should go ahead and start implementing the system and that SLOA could join at a later date.

5. New Business

a. Resolution 111 – Spending Authority for District Manager

It was moved by Gary Fortmann and seconded by Albert Friess to approve Resolution 111 establishing a spending authority of \$5000.00 for the District Manager of the SWD. Motion carried unanimously.


b. Resolution 112 – Procurement of a Replacement Sludge Truck

It was moved by Gary Fortmann and seconded by Albert Friess to approve Resolution 112 authorizing the procurement of a 2018 Ford F-750 truck cab and chassis from Titus-Will Ford in Tacoma for the amount of \$77,273.70. As defined by RCW 39.26.130, this vehicle purchase is necessary to correct an emergency situation existing with the old SWD sludge truck. Motion carried unanimously.

6. Checks and Vouchers. A voucher for vendor payments and a transfer check were submitted for signature by the Commissioners.

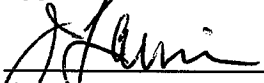
7. Adjournment - Meeting adjourned at 2:49 p.m. (moved by Al Friess and seconded by Gary Fortmann).

Respectfully submitted

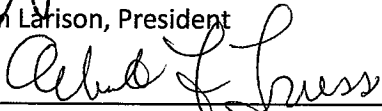


Judy Gamble
Office Administrator

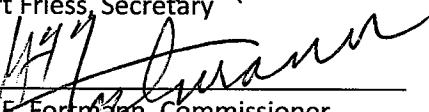
Approved: 13th of March 2018.



Jim Larison, President



Albert Friess, Secretary



Gary F. Fortmann, Commissioner