

Whitworth Water District No. 2
Board Meeting Minutes
November 2, 2017

Call to Order/Confirm Quorum

The meeting was called to order by Irene Anderson Chairperson, at 4:00 p.m. Those present were Dennis Brown, Secretary-Treasurer; Chris Johnson, Commissioner; Rick Koller, Commissioner; Chan Bailey, Commissioner; Tim Murrell, Tom McInerney, Doug Babin, Tom Davis, Ron Gillies and District Counsel Brian Werst.

Approve/Revise Agenda

The agenda was approved. The agenda was not amended.

Review and Approve Minutes

Chris Johnson made a motion to approve the minutes of October 5, 2017. The motion was seconded by Chan Bailey and approved unanimously.

Manager Report

- a. Third Quarter Financials** – Tim Murrell presented and discussed the Third Quarter Income and Expense Report and answered questions. Tim mentioned that work towards the 2018 budget was underway and would be presented as a non-action discussion item at the next meeting.
- b. District Bylaws** – Tim Murrell mentioned that he had been working on revising the District's Bylaws for the District. Tim brought up the repetitive nature of the Bylaws as they relate to State code and statues (WAC and RCW). Brian Werst suggested repealing the By Laws because the information that they cover is already covered in the District Policy Handbooks, and the District is governed by the WAC and RCW of the State. Chan Bailey made a motion that we repeal the Bylaws and over the several weeks look into replacing them with District Rules and Regulations. Rick Koller asked if any of these changes would affect District personnel or human resources aspects and learned they will not. The motion was seconded by Rick Koller and approved unanimously.
- c. Approval of Engagement of Architectural Services** – Tim Murrell discussed with the Board the Fee Proposal for the architectural services for building administrative and operations building on Newport Road. An active discussion ensued about the details within the Fee Proposal. Dennis Brown made a motion to approve the fee schedule set forth by Bernardo Wills Architects PC (BWA). The motion also included the directing of staff to work with BWA to create a contract for future Board execution. The motion was seconded by Chris Johnson and approved unanimously.

Operations Report

Tim Murrell – The District was gifted a second access to the Midway Reservoir, so now there is now both front and back access to the site.

Financial

- a. Financing Discussion – New Building – Tim Murrell addressed the Board about financing the New Building. Tim discussed the Cash Position with the Board. Tim also mentioned that he and Ron Gillies met with Laura McAloon about the process for acquiring a bond. Tim referenced an agreement that Laura McAloon (Witherspoon, Brajcich, McPhee PLLC) wrote up that would not cost the District any money unless the bond(s) was issued. A further discussion revolved around the legal fees and costs involved. Brian Werst suggested that Steve Stocker review the document. Chan Bailey made a motion to authorize Tim Murrell to sign the Agreement pending the review of Steve Stocker. The Motion was seconded by Chris Johnson and approved unanimously.
- b. Pay Estimate #3, Red Diamond Construction, 16” Water Main – Kaiser North/Costco Supply – Dennis Brown presented and made a motion to approve Pay Estimate #3, from Red Diamond Construction for the amount of \$22,938.44. The motion was seconded by Rick Koller and approved unanimously.
- c. Pay Estimate #4, Sandry Construction, 12” Water Main – Hardesty Ridge Phase II – Dennis Brown presented and made a motion to approve Pay Estimate #4, from Sandry Construction for the amount of \$4,134.31. The motion was seconded by Chris Johnson and approved unanimously.
- d. Pay Estimate #2, J&L Co. Northeast. Inc., Chattaroy Hills Reservoir – Dennis Brown presented and made a motion to approve Pay Estimate #2, from J&L Co. Northeast. Inc., for the amount of \$3,237.34. The motion was seconded by Chan Bailey and approved unanimously.
- e. Dennis Brown presented and made a motion to approve Payroll Vouchers 34783-34787 in the amount of \$9,699.30, withholding and FICA in the amount of \$10,314.47, with a net payroll of \$26,054.40. The motion was seconded by Rick Koller and approved unanimously.
- f. Dennis Brown presented and made a motion to approve Expense Vouchers 34784-34826 in the amount of \$196,191.15. The motion was seconded by Chris Johnson and approved unanimously.
- g. Dennis Brown presented and made a motion to approve Expense Voucher 34827 in the amount of \$30,001.87. The motion was seconded by Chris Johnson and approved unanimously.

- h. Dennis Brown presented and made a motion to approve Payroll Vouchers 34828-34833 in the amount of \$26,645.58, withholding and FICA in the amount of \$10,146.72, with a net payroll of \$26,100.60. The motion was seconded by Chan Bailey and approved unanimously.
- i. Dennis Brown presented and made a motion to approve Expense Vouchers 34834-34872 in the amount of \$51,968.11. The motion was seconded by Rick Koller and approved unanimously.
- j. Dennis Brown presented and made a motion to approve Expense Vouchers 34873-34877 in the amount of \$4,719.81. The motion was seconded by Rick Koller and approved unanimously.
- k. Dennis Brown presented and made a motion to approve Construction Vouchers 1128-1130 in the amount of \$50,466.20. The motion was seconded by Chris Johnson and approved unanimously.
- l. Dennis Brown presented and made a motion to approve Construction Voucher 1131 in the amount of \$3,237.34. The motion was seconded by Chan Bailey and approved unanimously.
- m. Dennis Brown presented and made a motion to approve Resolution 17-19 calling for the transfer of \$70,000 from the Expense Account to the Construction Account and the transfer of \$65,000 from the Expense Account to the Bond Money Market Account. The motion was seconded by Rick Koller and approved unanimously.
- n. Dennis Brown presented and made a motion to approve Resolution 17-20 calling for the transfer of \$70,000 from the Expense Account to the Construction Account and the transfer of \$65,000 from the Expense Account to the Bond Money Market Account. The motion was seconded by Chris Johnson and approved unanimously.

Open Forum

None

Executive Session

At 4:45 p.m. Irene Anderson announced that the Board of Commissioners is convening to Executive Session to discuss with legal counsel the legal risks of a proposed action of the District – Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency; with RCW 42.32.110 (iii). The Executive Session will conclude at approximately 5:05 p.m.

Irene Anderson brought the Board out of Executive Session at 5:05 after discussing with legal counsel the legal risks of a proposed action of the District – Litigation or legal risks of a proposed

action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency.

Irene Anderson announced that the Board of Commissioners was convening to Executive Session again to meet with legal counsel the legal risks of a proposed action of the District – Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency; with RCW 42.32.110 (iii). The Executive Session will conclude at approximately 5:15 p.m.

Irene Anderson brought the Board out of Executive Session at 5:15 after discussing with legal counsel the legal risks of a proposed action of the District – Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency.

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Irene Anderson brought the Board out of Executive Session at 5:20 after discussing with legal counsel the legal risks of a proposed action of the District – Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency.

With no further business, the meeting was adjourned at 5:21 p.m. by Irene Anderson.

Respectfully Submitted,

Tom McInerney

Dennis Brown, Secretary-Treasurer