

TRAILS END WATER DISTRICT #2
P.O. Box 850
Belfair, WA 98528
2/11/14 MINUTES

Present were: Commissioners Joe Morris, Doug Doll and Sarah Carlson along with 14 members of the public.

Mr. Morris called meeting to order at 7:00 pm. He informed those present that there was not an official agenda prepared. There are issues coming to light that need to be addressed and we will be working on housekeeping issues

Minutes: Sarah Carlson read a synopsis of the minutes from the 1-29-14 meeting and the emergency meeting held on 1-31-14. Mr. Morris moved to accept the minutes as read. Mr. Doll seconded and the motion passed unanimously.

Mr. Morris just came from the Belfair Water District meeting. They are taking up two proposals...ours and one with Tahuya River Water District. They are doing enabling resolutions tonight and sometime before the next meeting, we may have to have a special meeting to accept that proposal. Someone from Belfair Water District will be coming up tomorrow afternoon to view the physical plant.

Labor and Industries: Mr. Morris explained that on the 7th of February we were within 2 weeks of losing our UBS number with the State of Washington because we are so far behind in paying our Labor and Industries assessments. If we don't have the bill paid by the end of the month, we will be closed down. Nothing has been done since last February. The bill is now \$2706 including over \$800 in interest and penalties. We have been paying interest and penalties since 2008.

Testing samples: Belfair Water District will take the samples and they will deliver them to a company in Poulsbo where they are analyzed. Mr. Morris is looking into the e-coli sampling stations. He believes it will be approximately \$400 per station to get them set up.

Receiving records from the manager, billing clerk and meter reader: With regard to difficulties getting our records, Mr. Morris explained that he received an e-mail from Ken Loomis stating he would have the material to us on 2/28/14.

Business License and taxes: Ms. Carlson followed up on Mr. Morris' comments about our UBS number. She was in contact with Washington State Department of Revenue and Secretary of State. A representative of the Department of Revenue informed her that no taxes had been paid in a number of years and that our business license was no longer valid. He was not sure that we would have any tax owing and if there was tax owing, it would probably be minimal. He referred her to the Secretary of State's Office to find out about the license first, but did indicate they were more than willing to work with us.

Ms. Carlson then contacted the Secretary of State's office. She learned that our business license was closed over five years ago because no annual report had been submitted in the five years prior to the closing. It is too late to just reinstate our license. We have to start over from scratch. The representative Ms. Carlson spoke with indicated that they do have a copy of our original articles of incorporation. She agreed to pull them from archives and provide us with a copy. Once we have that, we will need to fill out an application and pay the fees to get our license. They, too, indicated a willingness to work with the district on this problem

Ms. Carlson questioned what other things have not been done such as payments to the IRS for employees withholding and Social Security. These will be explored.

A question was asked, with all of these reports from the State, somewhere down the line if can there be prosecution? Mr. Morris explained thresholds must be met for prosecution. At this point we do not have enough information. There may be for IRS but at this point not with the county.

Communication: Mr. Morris is looking to bringing a phone line and wifi into the clubhouse for District use. There was discussion about providers, costs. Mr. Morris moved to get Wave Cable to provide phone and internet service at this location. Mr. Doll seconded and the motion passed unanimously.

Mr. Morris moved to transfer funds to cover \$2706.86 to Labor and Industries. Mr. Doll seconded and the motion passed unanimously. This money will come out of the General Investment and go into the General account.

Office Space: TECC Board passed a resolution in January authorizing TEWD to rent office space and utilize the building for meetings, with rental to be negotiated between the two entities. Joe and Margaret Morris have both removed themselves from the board of TECC to avoid conflict of interest. TECC asks TEWD to give a proposed amount of rent. TEWD asked TECC to check their income requirements to be sure that they are not going to jeopardize their non-profit status. TECC's meeting is next Wednesday. Our next meeting is 2/25. This issue should be resolved at that time.

Ms. Carlson suggested that we have Belfair Water District come as soon as possible to read the meters. Following some discussion, Ms. Carlson moved that Mr. Morris be authorized discuss and make arrangements as soon as practical to have Belfair Water District read the meters with an amount of \$1000 maximum to be spent. Mr. Doll seconded and the motion passed unanimously.

Mr. Morris made a motion to spend a limit of \$300 per commissioner on used laptops for use on water district business only. Ms. Carlson seconded. Following some brief discussion, the motion passed unanimously.

Mr. Morris moved to spend not more than \$350 for a used business tower that will handle the software and source that through Tiger Direct. Community members agreed this was a good company. Ms. Carlson seconded and the motion passed unanimously.

In order to bring up RBS software and use it, we will have to get a new set of discs and updates and have it installed. This will cost \$1200. Mr. Morris moved to contract with RBS Water Management Systems for 2 years subscription and unlimited service includes installation, discs and updates for \$1178. Mr. Doll seconded and the motion passed unanimously.

Ms. Carlson moved to transfer \$4000 from General Investment to General funds to cover the costs just authorized for the 4 computers and the meter reading. Mr. Doll seconded and the motion passed unanimously.

Doug moved to close the meeting, Ms. Carlson seconded and the meeting was adjourned.

Submitted by:

Sarah Carlson
Sarah Carlson

Sarah Carlson