

TRAILS END WATER DISTRICT
6/14/16 Meeting
MINUTES

CALL TO ORDER: The meeting was called to order at 7:05 pm. A quorum was present.

ATTENDANCE: Joe Morris, Sarah Carlson via speaker phone, Commissioners
Anne Montgomery, Attorney

Commissioner Deb Watson is out of town and asked to be excused. Ms. Carlson moved to excuse Deb Watson from the 6/14/16 meeting, Mr. Morris seconded and the motion passed unanimously

MINUTES: Ms. Carlson provided copies of the 5/10/16 meeting and they were passed out. Mr. Morris moved to accept the minutes as presented. Ms. Carlson seconded and discussion followed. Ms. Montgomery brought up an error on page 2 under New Business in line 5. There was a “%” sign and it should have been a “\$” sign. Mr. Morris moved to change “%” to “\$”. Ms. Carlson seconded and the motion passed unanimously. Mr. Morris moved to approve the minutes as corrected. Ms. Carlson seconded and the motion passed unanimously.

Minutes for the 6/10/16 working session were also presented. Mr. Morris moved to accept those minutes as presented. Ms. Carlson seconded and the motion passed unanimously.

TREASURER/FINANCIAL REPORT: The board members reviewed the 5/31/16 Olympia Federal bank statements, Treasurer’s Report and Auditor’s Report. They were in order and consistent. A copy of the 5/31/16 Financial Statement was presented and reviewed. Mr. Morris moved to accept the treasurer’s report as presented. Ms. Carlson seconded and the motion passed unanimously.

There was discussion about the need to transfer funds into the General Account to cover the amount due to the IRS for employee taxes. The previous manager had not paid these taxes nor completed the required report form 941 for over 4 years beginning with 2010. Without the records that were not turned over to the new board, some of the 2014 reports were incomplete. Ms. Carlson was able to reconstruct the data and file the reports. The total due is \$38,322.68. This figure does not include any interest or penalties. Interest can be from 2% - 10% and the penalties top out at 25% of the total owed. The penalty alone could be nearly \$10,000. Ms. Carlson explained the process she went through with the IRS and the information she was able to obtain on how to request relief from the penalties. She also explained the methods she used in reconstructing the data that was used in the reports. The process shows our due diligence in rectifying the issue. Ms. Montgomery felt that a professional might be helpful with the penalties and interest. Mr. Morris also mentioned looking into a tax ombudsman.

There is not enough in the General Account to pay the taxes and our regular bills. Following discussion Mr. Morris moved to transfer \$40,006.14 from the Water Revenue Investment account into the General Account. Ms. Carlson seconded and the motion passed unanimously.

- Bank Transfer: There was discussion on the amount of money that should be transferred from Olympia Federal to the Treasurer’s Office. Ms. Carlson moved to transfer \$2006.14 from

Olympia Federal to the Treasurer's Office. Mr. Morris seconded and the motion passed unanimously.

- Voucher Approval: Vouchers were presented in the amount of \$42,471.89. Mr. Morris moved to pay the vouchers as presented. Ms. Carlson seconded and the motion passed unanimously.

STAFF REPORTS:

- Billing:

This is the first month of new rates. Bills going out for June in the first week of July will reflect the new schedule.

- Maintenance:

The trench at the tower is ready to be filled and back filled. Installation is complete otherwise.

- Miscellaneous:

N/A

OLD BUSINESS:

There was discussion of Addendum A on the rate resolution regarding adding delinquency charges. A question was raised as to whether our software would support changes. Ms. Montgomery will look into this issue and it was tabled until next month.

NEW BUSINESS:

IRS issues were discussed in the treasurer's report.

PUBLIC COMMENT:

None

GOOD OF THE ORDER:

None

ADJOURNMENT:

Ms. Watson moved to adjourn the meeting at 8:15 pm.

Submitted by:

Sarah Carlson Date
Commissioner, Secretary

APPROVED:

Deb Watson Date
Commissioner, President

Joe Morris Date
Commissioner, Treasurer