

**FREELAND WATER and SEWER DISTRICT
- ISLAND COUNTY WASHINGTON –**

Minutes of April 1st, 2013
Special Meeting

MEETING PLACE

5421 Woodard Avenue - Freeland, Washington

IN ATTENDANCE

Commissioners: Eric Hansen (*President*); Lou Malzone (*Vice President*); Marilyn Abrahamson (*Secretary*)
Professional Services: Andy Campbell (*Certified Operator*); Terri Campbell (*Finance & Administration*);
Leslie Clark (Attorney) by telephone conference

1. CALL TO ORDER

Commissioner Hansen called the Special meeting to order at 5:50 P.M. After meeting was opened, Commissioner Hansen asked for Executive Session to discuss potential litigation to begin at 6:00PM.

2. EXECUTIVE SESSION –

Commissioner Hansen opened Executive session at 6:00 PM
Commissioner Hansen closed Executive session at 7:20 PM

3. RE-CONVENE SPECIAL MEETING AND ACTION TAKEN -

Commissioner Hansen re-convened the Special Meeting at 7:25 PM

4. ACTION TAKEN –

4.1 Response to State Auditor’s Findings – Commissioner Hansen will send the following responses to the State Auditor; Spencer Bright from the Commissioners:

Finding 1: Freeland Water and Sewer District did not comply with its inter-local agreement with Island County, increasing the risk of unallowable use of restricted funds.

District Response: The Interlocal Agreement with Island County has expired. Should the District and Island County enter into a new agreement; the District will ensure that a review process for submitting allowable expenditures is in place. The Commissioners are aware that when they sign reimbursement vouchers, it is their responsibility to make sure that the expenditures are authorized under the terms of the agreement.

Finding 2: The Freeland Water and Sewer District received grant funds from both Island County and the State of Washington Department of Ecology for the same purchase of land resulting in additional costs for the District.

District Response: Under the current Board, the District has paid back most of the funds owing to the county for the land purchase. The District intends to repay the County the remainder as recommended by December 2015.

Finding 3: The District did not follow state law when it charged ready to serve fees to owners of unimproved land.

District Response: The District stopped billing ready to serve fees in May 2012. The District does not intend to charge ready to serve fees on unimproved land in the future.

5. MEETING CLOSURE- There being no further business the Special meeting closed at **8:40 PM.**

Eric Hansen
Commissioner; FWSD

Lou Malzone
Commissioner; FWSD

Marilynn Abrahamson
Commissioner; FWSD

Minutes Prepare by: Terri Campbell

Approved: _____