

**POLICY #2110. MISSION STATEMENT**

**I. MISSION STATEMENT**

The mission of the Camano Water Association is to provide members with ample, good quality, domestic water at a reasonable cost..

**Revision History:**

Originated: 1995

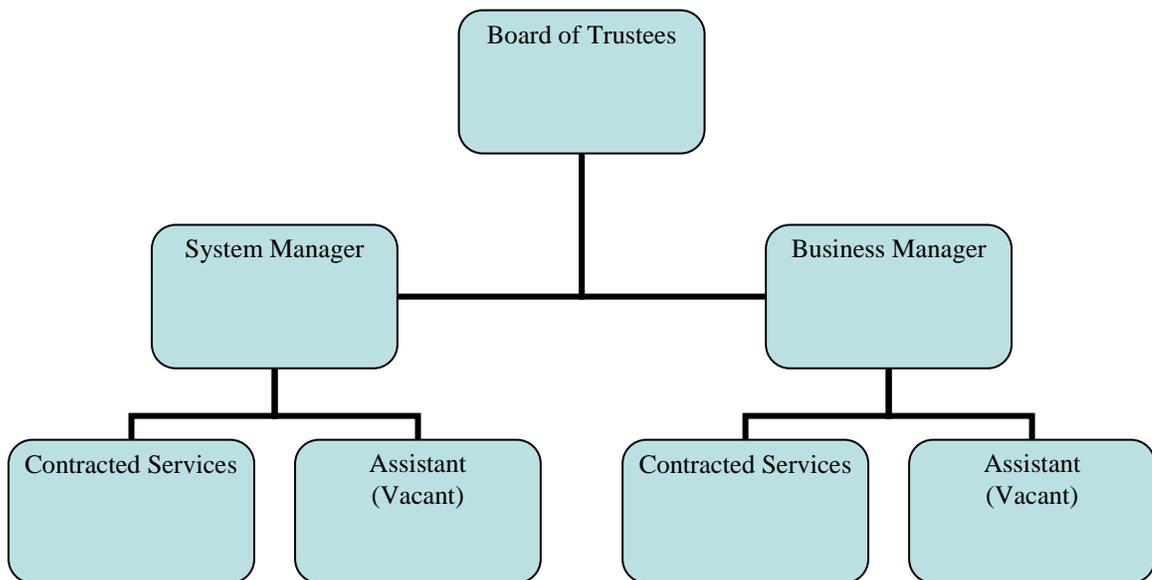
**POLICY #2120. ORGANIZATION CHART**

**I. PURPOSE**

The purpose of this policy is to identify the organization chart of the Camano Water Association (CWA) and to briefly describe each position on the organization chart.

**II. ORGANIZATION CHART**

The following is the CWA organization chart.



**III. POSITION DESCRIPTIONS**

The following are brief descriptions of all CWA personnel positions.

**A. Board of Trustees**

The Board of Trustees exercises all the powers of the corporation.

**B. System Manager**

The System Manager is responsible for planning, routine operations management and administration, systems operations, system and support equipment maintenance, sampling, customer service, regulatory compliance, documentation, and reporting to and communication with the Board of Trustees and other entities.

**C. Business Manager**

The Business Manager performs accounting, bookkeeping, payroll, customer service, customer billing, office management, and many other duties required to ensure that CWA business office supports its members and trustees in an organized and cost-effective manner.

**Revision History:**

Originated: 4/20/2010

**POLICY #2210. DUTIES OF THE BOARD OF TRUSTEES****I. INFORMATION**

Trustees provide information exchange at board meetings by:

- Working within the guidelines established in the Camano Water Association Bylaws.
- Summarizing and reporting on financial results.
- Describing operating accomplishments.
- Reviewing goals and the progress toward the goals.
- Highlighting areas requiring Board attention.

**II. TRUSTEE MISSION**

- A. The purpose of the Board of Trustees is to ensure the implementation of the stated goals and mission of CWA at an appropriate cost and without detriment to CWA. Each board member shares responsibility for achieving the purpose.
- B. The Board of Trustees will determine the CWA mission and goals. It is the board's responsibility to envision a direction and develop a statement of mission that leads to a strategy for setting and pursuing goals.
- C. The Board of Trustees will provide financial oversight. A treasurer and bookkeeper shall be appointed to maintain records. Neither need be board members and both shall report to the board.
- D. The Board of Trustees will ensure that adequate financial resources are available and will pursue funding to meet CWA's present and future goals.
- E. The Board of Trustees will establish policies to guide operational and program practice.
- F. The Board of Trustees will represent and advocate for CWA in the community.
- G. The Board of Trustees will recruit and orient new members to maintain and strengthen the board.
- H. The Board of Trustees will ensure compliance with legal requirements in the operation of CWA.

### III. TRUSTEE RESPONSIBILITIES

Board members hold a trust with a legal and moral obligation to ensure the organization operates in the best interests of those served, as described in Article III, Section 6 of the CWA Bylaws. The board is responsible for:

- The governance of the organization and its resources.
- The maintenance and development of services for those served.

The CWA Board of Trustees may take action only at a scheduled board meeting. Every board member is expected to contribute to the efficient business-like practices required to protect and further the interests of CWA.

Each board member shall:

- Attend all meetings, or be excused by the board.
- Support the mission and vision of CWA.
- Come to meetings fully prepared, having read all minutes, reports, and other pertinent documents.
- Be prepared to take part in all discussions.
- Understand basic parliamentary procedures, traditional practices, the art of compromise, and the art of listening.
- Work towards consensus on issues before the board.
- Help identify and recruit new trustees.
- Support and assist one another in carrying out the duties of the board of trustees.
- Focus all deliberations to efficiently guide CWA for the best interests of those served.

A board member who consistently and seriously fails to fulfill these requirements may be removed from the board “for cause.” The removal of any board member “for cause” must be well-documented and be by unanimous vote of the remaining members, as described in Article III, Section 7 of the CWA Bylaws.

### IV. RESOLUTION OF ISSUES

The Board of Trustees is responsible for providing clear and concise resolution of issues that come before the board for decision. This is to be done either by:

- Reaching a clear decision at that meeting with an action plan and assignment of responsibility, or
- Outlining the next steps to be completed, when and by whom, leading to a decision at a specified time in the future.

## V. SYSTEM MANAGER AND BUSINESS MANAGER DIRECTION

The Board of Trustees is responsible for providing direction and support for CWA staff, particularly the System Manager and Business Manager, who report directly to the board. Specifically, the board:

- A. Provides direction to the System Manager and Business Manager regarding company policies and procedural questions while allowing the System Manager and Business Manager to manage day-to-day operations.
- B. Provides sufficient latitude to allow the System Manager and Business Manager to supplement company resources with outside technical support services as needed.
- C. Adopts standards of performance for the System Manager and Business Manager which clearly outline job responsibilities and contain measurable goals for the year.

## VI. COMPANY POLICIES

The Board of Trustees is responsible for establishing CWA policies and ensuring that policies are applied fairly and consistently for all customers. The board is also responsible for reviewing policies periodically and updating them as necessary.

At their discretion, the Business Manager or System Manager may waive a General Administration or Membership policy for special circumstances. The waiver shall be documented as to the date, time, members involved if applicable, and the reason. All such waivers shall be reported to the Board of Trustees.

## VII. ANNUAL GOALS AND COMPREHENSIVE PLAN

The Board of Trustees shall monitor the accomplishment of annual goals and ensure that the long-term Comprehensive Plan is up-to-date and meets future growth and regulatory requirements. Once every year, the board will establish a board calendar and set the annual goals. The annual goals are to be presented at the November membership meeting.

Once every year, the board will review the capital projects plan. Every five years, the board will review the comprehensive plan.

### Revision History:

Originated: 8/19/2008

Revised: 4/20/2010

**POLICY #2220. GUEST ATTENDANCE AT BOARD MEETINGS****I. PURPOSE**

This policy is designed to [\*\*GLOBAL] inform the Camano Water Association (CWA) Board of Trustees prior to the board meeting of the nature of the business of the guests listed on the board meeting agenda. Board meetings are held on the third Tuesday of each month.

**II. GUEST ATTENDANCE AT BOARD MEETINGS**

Any members wishing to attend a Board of Trustees meeting are welcome to come. It is recommended that members call the CWA office in advance of the meeting to confirm the date and time of the board meeting.

**III. REQUEST OF VISITOR TO ADDRESS BOARD OF TRUSTEES**

Any member wishing to be added to the agenda of a Board of Trustees meeting must submit a written request to the CWA office, on or before the first day of the month in which they wish to attend the meeting.

The written request should include the following information:

- The names of the persons wishing to attend
- A brief description of the reasons for attending
- A listing of any documents to be presented to the board, for example, short plats, etc.
- The actual documents to be presented to the board

The CWA Business Manager will include the request and any other documents with the Board of Trustees meeting agenda, which is presented to the trustees approximately one week prior to the meeting.

If necessary, CWA Business Manager will also include with the meeting agenda a staff report providing a brief background on the guests, the nature of their business, and a staff recommendation if applicable.

**IV. EXCEPTIONS TO BOARD VISITOR POLICY**

The Business Manager may waive the written request ruling and/or the deadline date. The Business Manager will then phone or e-mail as many board members as possible, inform them of the guests wishing to attend, the nature of their business, and the Business Manager's views on the nature of the business.

**Revision History:**

Originated: 4/20/2010

**POLICY #2310. CAPITAL FUNDS****I. PURPOSE**

The purpose of this policy is to establish the practice of collecting funds from various fees and earmarking those funds for capital use, versus use for ordinary operation and maintenance (O&M) expenditures. This policy serves to keep O&M funds and capital funds clearly separate and identifiable, and simplifies Camano Water Association (CWA) tax accounting.

**II. SOURCE OF CAPITAL FUNDS**

Capital funds are identified and segregated in a capital account separate from operation and maintenance funds. Capital funds are to be used for capital projects and improvements for the benefit of CWA.

Capital funds shall be routinely accumulated from the following fee sources:

- Membership Fees
- Developer Fees
- Hook Up To System Fees
- Annual Year-End Carryovers as approved by the board
- Excess Monies beyond normal O&M needs as approved by the board

The separate capital account shall be used to accumulate capital funds, and to disburse capital funds from that account for capital expenditures.

**III. SOURCE OF O&M FUNDS**

O&M funds are identified and segregated in an operations account separate from the capital account. The source of O&M funds include water service fees and standby fees.

**Revision History:**

Originated: 3/1995

Revised: 4/20/2010

**POLICY #2320. CAPITAL DEFINITIONS****I. PURPOSE**

The purpose of this policy is to define terms associated with capital accounts, budgets, and expenditures.

**II. CAPITAL DEFINITIONS**

**Unit of property.** An item or related group of components performing a complete operating function, as distinguished from individual equipment items which are essential parts or segments of the facility performing the complete operating function.

*Example:* A truck is a unit of property while the instrument panel gauges are not.

**Capital asset.** A unit of property with a useful economic life exceeding one year and have a total unit of property cost of \$200 or more.

*Example:* A truck is a capital asset, while a calculator is not, because although its life might exceed one year, it costs less than \$200. Also, chemicals for the treatment plants may cost more than \$200 but are consumed in less than a year, so would not be considered a capital asset.

**Addition.** A facility, equipment, or structure added to existing property, exclusive of replacements. The costs of additions to existing units of property shall be capitalized if the costs of the additions are \$200 or more and the useful economic life of the property exceeds one year.

*Example:* Paving the parking lot near an office building or plant, purchasing an attachment for a tractor such as a mower, adding a heating and ventilating system or potable water lines to a facility where none previously existed are all examples of additions.

**Improvement.** Alterations or changes in structural design of property which result in increased service life or efficiency. If there is a changes in structural design, this constitutes an improvement.

The cost of items replaced shall be retired and the cost of the improvement shall be capitalized. The cost incurred to remove and dismantle the existing item shall be charged to the retirement account. If the improvement does not involve a replacement, the cost of the improvement shall be capitalized.

*Example:* Replacing the standard bed on the truck with a new utility bed is an example of an improvement. The value of the old bed would be retired and the cost of the new bed would be capitalized. On the other hand, replacing wheels, tires, or a bumper on a truck are not considered improvements. These are a substitutions, or replacements, for items of like functions and fit. Because they are replacements rather than improvements, they are expensed rather than capitalized.

**Replacement.** The substitution of a part of or a complete unit of property with a new part or unit. The cost of replacement should reflect the original cost before trade-in considerations of the new asset, as the trade-in value is charged to the associated retirement of the old item and cannot be allowed as a credit to the new asset.

In replacing a minor unit of property without improvement, the cost of such replacement is charged to expense.

*Example:* Replacing the motor on a well pump is considered a replacement of a minor item of property, and does not qualify as an improvement. However, replacing the entire pump would be considered an improvement rather than a replacement.

The replacement of a pickup truck with a newer model is considered an improvement rather than a replacement, and would result in the retirement of the old pickup and the capitalization of the new unit of property.

**Rehabilitation costs.** Generally, rehabilitation costs (overhauling) are to be expensed. Overhauls do not meet the definition of improvement, and therefore are expensed. However, major overhauls should be reviewed with the Board Treasurer for final determination and classification.

**Capital lease.** In general, a lease may be considered a capital lease when its economic effects are similar to an installment purchase. If, at its inception, a lease meets one or more of the following four criteria, the lease should be classified as a transfer of ownership and therefore be capitalized.

- By the end of the lease term, ownership of the leased property is transferred to the lessee.
- The lease contains a bargain purchase option.
- The lease term is substantially (75 percent or more) equal to the estimated useful life of the leased property.
- At the inception of the lease, the present value of the minimum lease payments, with certain adjustments, is 90 percent or more of the fair value of the leased property.

Questions concerning lease classification should be directed to the CWA Board Treasurer for determination.

**End-item purchase.** An individual item which costs \$200 or whose useful economic life of the property or item exceeds more than one year.

*Example:* Examples of end-item purchases include small tools and equipment such as a lawnmower, motorized weed cutter, portable generator and pump, drill press, bench test equipment, and so on.

**Revision History:**

Originated: 3/1995

Revised: 4/20/2010

**POLICY #2330. CAPITAL BUDGET****I. PURPOSE**

The purpose of this policy is to identify the capital budget process for Camano Water Association (CWA).

**II. CAPITAL BUDGET PLANNING**

The annual capital budget is a short-range plan which considers limitations on projected cash flows, available capital funds, and financing capabilities of CWA. Preliminary or forecasted capital allocations are established during the annual capital projects plan review process and considered in the three- and five-year cash flow projections.

All foreseeable project proposals should be included in the capital budget. However, inclusion in the capital budget does not in itself authorize expenditures on a specific project.

Per Article V Section 1 and Article VI Section 5 of the CWA Bylaws, the Board Treasurer presents the O&M and capital budget at the annual membership meeting.

**III. CAPITAL PROJECT PLANNING**

The approval of CWA Board of Trustees must be granted prior to incurring any commitments or expenditures for the start of a capital project.

The only exception to this is the Small Tools capital budget category.

For any major capital project (over \$5,000), the CWA System Manager and the Board of Trustees and/or Board Treasurer shall perform a cost/benefit analysis of the project.

**IV. CAPITAL EXPENDITURES**

The capital accounts shall be charged with the cost of all capital property, as follows:

- Capital property purchased.
- Construction of new property or additions and improvements to existing property, provided such additions or improvements are expected to increase earning or productive capacity. This capital construction cost shall include the cost of labor, material, supplies, special machine service, transportation, contract work, insurance

injuries and damages, permits, taxes, rent, interest during construction, engineering, legal fees, and other similar element in connection with such work.

- Replacing a unit of property.
- Replacing a major portion of a unit of property with a part of different design provided the replacement increases the unit's capacity for service or extends its useful life beyond that contemplated when the unit was first installed. The cost of replacing less than a unit of property is charged to expense when the unit's capacity for service is not increased or the expected useful life is not extended. Normal repairs and maintenance must be expensed.

All labor performed in connection with a capital project shall be charged to the specific capital project. However, this general rule does not apply to the CWA System Manager and Business Manager, whose labor shall be expensed rather than charged to the capital project, as these positions would exist regardless of any specific capital project.

Costs not associated with capital property as described above are considered expenses and shall be paid from the expense accounts. For clarification and assistance regarding capital versus O&M expenses, the CWA Board Treasurer should be consulted. Decisions relating to capital versus expense shall be based on water utility standards and applicable federal regulations.

**Revision History:**

Originated: 3/1995

Revised: 4/20/2010