

RESOLUTION NO. 713

DISPOSAL POLICY

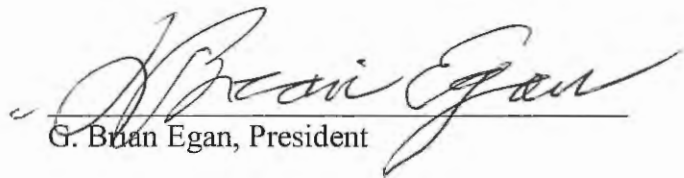
WHEREAS, pursuant to the Washington State Auditor recommendations, the District has established a procedure for the disposal for scrap and surplus material, and

WHEREAS, surplus materials are those that, while still in good condition and usable, have no foreseeable use within the District's operations, and

WHEREAS, the District will follow the guidelines of RCW 19.290.010 for disposal of all scrap and recyclable materials.

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS of the East Wenatchee Water District adopt a Disposal Policy as attached hereto.

ADOPTED, by the BOARD OF COMMISSIONERS of the EAST WENATCHEE WATER DISTRICT, Douglas County, Washington at a regular meeting thereof, this 20th day of June 2018.


G. Brian Egan, President

ATTEST:


Terry Barnes, Secretary

East Wenatchee Water District Related Party Transaction Procedures

Related parties are relationships in which one party has the ability to control or significantly influence the economic and operating decisions of another. Transactions with related parties are a common feature of business. Parties are considered **related** when one of the parties has control over the other or is able to exert considerable influence over the other party in terms of financial or business decisions.

Typical related party relationships include

- A government's related organizations, joint ventures and jointly governed organizations.
- Elected and appointed officials of the government, executive management and immediate family members of officials and executive managers.
- Other parties that government can significantly influence.
- Other parties that can significantly influence government.
- Other parties that are under the influence of a related party to the government.
- Enterprises that directly or indirectly (through intermediaries) control, are controlled or are under joint control with the reporting enterprise. This includes holding companies, subsidiaries and partner subsidiaries.
- Persons, directly or indirectly owning equity share of the reporting enterprise that gives them the opportunity to exercise significant influence over that enterprise.
- Close family members of the enterprise's key management personnel.
- Persons with considerable influence on close members of the family. Close members of the family are people that influence that person or can find themselves under an influence of that person in their transactions with the enterprise.
- Senior management, people with authority and people responsible for planning, management and control of the reporting enterprise, including directors, managers of enterprises and close members of their families.
- Enterprises in which a substantial interest, directly or indirectly, belongs to any of the persons mentioned above.

Significant influence means the opportunity to participate in or influence formulation of financial and business company policy, but at a lower level than the ability to control policy. Considerable influence can be exerted in several ways such as representation on the Board of Directors or participation in formulation of production, financial and personnel policies.

Procedures

Related party transactions are common in business. It is important for a process of identifying related party transactions to be implemented since related party relationships can affect the volume or pricing of transactions between the related entities. Information on these relationships and transactions must be identified annually and disclosed on the District's financial notes. Because all purchases of large volume items are controlled by the governing board and senior management staff. A transaction form must be filled out if a related party transaction has occurred and the information must be disclosed on the District's financial statement. The listing can be derived from various sources including; the accounts payable ledger, related party questionnaire, Board meeting minutes, etc.

Disclosure Examples of Transactions between Related Parties

- Purchase or sales of goods (finished or unfinished, meaning work in progress)
- Purchase or sales of real estate and other assets.
- Supplying and receiving of services.
- Agreement for transferring the right to carry out transactions.
- Lease agreements.
- License agreements.
- Loans and share investments.
- Security and guarantees.
- Management contracts.

Disclosure of transactions between related parties will be included in the notes to financial statements.

The necessary information for disclosure includes:

- Indication of the volume and amounts of related party transactions.
- Amounts of outstanding items between related parties such as payables and receivables at the balance sheet date.
- For related party relationships involving control, if a transaction between the parties occurred during the reporting period, the relationship will be identified.

Related party questionnaire:

East Wenatchee Water District

1. Have you or any related party of yours had any material interest, direct or indirect, in any transaction to which the Company or any of its affiliates was, or is to be, a party?

If yes, please describe the nature and balances in following table:

Full name and address of the related person / Legal name, registry code, and address of the related company	Nature of relationship	Nature of transaction(s)	Volumes of transactions, amounts of balances (estimated if actual unknown)

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Signature

Date

East Wenatchee Water District

Tracking and Disposal of High-Risk and Recyclable Item Procedures

PURPOSE

To establish the procedure for the disposal for scrap and surplus material. This procedure applies to all material for which there is no known District use in the operating, process, or repair function. For inventory items, the Inventory Control Coordinator and Superintendent will review inventory consumption records to identify items for which there is no longer any practical application or need. This list of items will become the basis for identification of surplus inventory items.

IDENTIFICATION PROCEDURE

Surplus materials are those that, while still in good condition and usable, have no foreseeable use within the District's operations. Examples include such things as regular Inventoried items that, because of reduction in consumption, are now overstocked, or items that are still produced but no longer used by the District. Scrap materials are those that are not usable in their present form, but that still have value. Examples are residual pieces left from operations or other recyclable materials, such as ferrous and non-ferrous metals. These are not to be confused with trash, which has no value.

DISPOSAL OF SURPLUS OR SCRAP ITEMS

Disposal of all scrap and recyclable materials will follow the guidelines of RCW19.290.010 until the time when these items are re-cycled they will be held within a secure area of the District. This list with the valuation should then be sent to the Purchasing Agent, who will coordinate with the appropriate Buyers for disposal. All proceeds from surplus and scrap materials will be returned to the District to replenish the General Fund.

RCW 19.290.010

Definitions.

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Commercial account" means a relationship between a scrap metal business and a commercial enterprise that is ongoing and properly documented under RCW 19.290.010.

(2) "Commercial enterprise" means a corporation, partnership, limited liability company, association, state agency, political subdivision of the state, public corporation, or any other legal or commercial entity.

(3) "Commercial metal property" means: Utility access covers; street light poles and fixtures; road and bridge guardrails; highway or street signs; water meter covers; traffic directional and control signs; traffic light signals; any metal property marked with the name of a commercial enterprise, including but not limited to a telephone, commercial mobile radio services, cable, electric, water, natural gas, or other utility, or railroad; unused or undamaged building construction materials consisting of copper pipe, tubing, or wiring, or aluminum wire, siding, downspouts, or gutters; aluminum or stainless steel fence panels made from one inch tubing, forty-two inches high with four-inch gaps; aluminum decking, bleachers, or risers; historical markers; statue plaques; grave markers and funeral vases; or agricultural irrigation wheels, sprinkler heads, and pipes.

(4) "Engage in business" means conducting more than twelve transactions in a twelve-month period.

(5) "Nonferrous metal property" means metal property for which the value of the metal property is derived from the property's content of copper, brass, aluminum, bronze, lead, zinc, nickel, and their alloys. "Nonferrous metal property" does not include precious metals.

(6) "Person" means an individual, domestic or foreign corporation, limited liability corporation, partnership, trust, unincorporated association, or other entity; an affiliate or associate of any such person; or any two or more persons acting as a partnership, syndicate, or other group for the purpose of acquiring, holding, or dispersing of securities of a domestic or foreign corporation.

(7) "Precious metals" means gold, silver, and platinum.

(8) "Private metal property" means catalytic converters, either singly or in bundles, bales, or bulk, that have been removed from vehicles for sale as a specific commodity.

(9) "Record" means a paper, electronic, or other method of storing information.

(10) "Scrap metal business" means a scrap metal supplier, scrap metal recycler, and scrap metal processor.

(11) "Scrap metal processor" means a person with a current business license that conducts business from a permanent location, that is engaged in the business of purchasing or receiving private metal property, nonferrous metal property, and commercial metal property for the purpose of altering the metal in preparation for its use as feedstock in the manufacture of new products, and that maintains a hydraulic bailer, shearing device, or shredding device for recycling.

(12) "Scrap metal recycler" means a person with a current business license that is engaged in the business of purchasing or receiving private metal property, nonferrous metal property, and commercial metal property for the purpose of aggregation and sale

to another scrap metal business and that maintains a fixed place of business within the state.

(13) "Scrap metal supplier" means a person with a current business license that is engaged in the business of purchasing or receiving private metal property or nonferrous metal property for the purpose of aggregation and sale to a scrap metal recycler or scrap metal processor and that does not maintain a fixed business location in the state.

(14) "Transaction" means a pledge, or the purchase of, or the trade of any item of private metal property or nonferrous metal property by a scrap metal business from a member of the general public. "Transaction" does not include donations or the purchase or receipt of private metal property or nonferrous metal property by a scrap metal business from a commercial enterprise, from another scrap metal business, or from a duly authorized employee or agent of the commercial enterprise or scrap metal business.