

DISCOVERY CLEAN WATER ALLIANCE

RESOLUTION NO. 2017 – 02

A RESOLUTION OF THE DISCOVERY CLEAN WATER ALLIANCE, AUTHORIZING THE ISSUANCE OF WARRANTS OR CHECKS IN PAYMENT OF CLAIMS PRIOR TO BOARD APPROVAL; ADOPTING INTERNAL CONTROL POLICIES; AND PROVIDING FOR OTHER RELATED MATTERS.

BE IT RESOLVED by the Board of Directors (the “Board”) of the Discovery Clean Water Alliance as follows:

Section 1. Findings and Determinations. The Board takes note of the following facts and makes the following findings and determinations:

(a) In order to expedite the payment of claims, after certain circumstances and after the provisions of RCW 42.24.180 have been met, the Alliance may authorize the issuance of warrants or checks for the payment of claims before the Board has acted to approve the claims.

(b) The Board desires to authorize the payment of claims prior to Board approval under RCW 42.24.180.

Section 2. Payments Authorized. The treasurer of the Alliance and the general manager, finance director and all other appropriate officers of the Administrative Lead, as determined by the general manager of the Administrative Lead (each an “auditing officer”), may authorize the issuance of warrants or checks for payment of claims before Board approval.

Section 3. Conditions to Payment.

(a) *Auditing Officer Bond Required.* Before signing or authorizing the signing of any warrant or check, an auditing officer must furnish an official bond for the faithful discharge of his or her duties in an amount of not less than fifty thousand dollars, or in any greater amount as may be required by RCW 42.24.180, as may be amended.

(b) *Internal Control Policies.* The general manager of the Administrative Lead or his or her designee, or the finance director of the Administrative Lead if the general manager or his or her designee is acting as auditing officer, audits all claims against the Alliance and attests to the issuance of all warrants and checks prior to the auditing officer approving their issuance. To the extent consistent with this Section 3, the provisions of all contracting, hiring, purchasing and disbursing policies of the Administrative Lead, as may be amended, are adopted

as policies of the Alliance by this reference for the purposes of implementing effective internal controls over the payment of claims prior to Board approval.

(c) *Review and Approval of Claims.* The auditing officer prepares and submits to the Board for Board approval at its next regularly scheduled public meeting documentation supporting all claims paid that the Board has not yet approved. Upon approval, the Board ratifies the warrants or checks issued in payment of the approved claims. Upon disapproval, the auditing officer and any officer authorized to sign the warrants or checks must jointly cause the disapproved claims to be recognized as receivables of the Alliance and pursue collection diligently until the amounts disapproved are collected or until the Board is satisfied and approves the claims.

Section 4. General Authorization and Ratification. The Administrative Lead, the Alliance attorney and all other appropriate officers of the Alliance or the Administrative Lead, as the case may be, are severally authorized and directed to take all actions and to execute all documents as in their judgment may be necessary or desirable to carry out the provisions of this resolution. All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

Section 5. Severability. The provisions of this resolution are separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, holds any provision of this resolution invalid or unenforceable as to any person or circumstance, the offending provision, if feasible, is modified to be within the limits of enforceability or validity. If the offending provision cannot be modified, it is null and void with respect to the particular person or circumstance. All other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, remain valid and enforceable.

Section 6. Effective Date. This resolution is effective immediately upon its adoption.

ADOPTED by the Board of Directors of the Discovery Clean Water Alliance at a regular meeting held on June 16, 2017.

DISCOVERY CLEAN WATER ALLIANCE

A handwritten signature in blue ink, appearing to read "Steve Ben", is written over a horizontal line.

Chair, Board of Directors