

Spokane River Regional Toxics Task Force Business Entity Functions and Structure Concept

~ May 9, 2012 Discussion Draft ~

Introduction

The Spokane River Regional Toxics Task Force (Task Force) Memorandum of Agreement (MOA) structure and operating guidelines indicate that a more robust organizational structure may be required to address the administrative, funding and contractual needs of the Task Force. This business entity structure is needed to, among other things, hire technical advisor(s), implement elements of the Task Force work plan, and retain the Task Force facilitator/coordinator beyond the first year.

The Spokane River Stewardship Partners (SRSP) and the Task Force Administrative Work Group have discussed the business entity needs and structure options, and developed this initial concept to help jump start Task Force discussions.

Relationship of Business Entity to Task Force

The Task Force structure and operating guidelines are provided through the MOA signed by the Task Force members. The Task Force reviews and considers information and makes recommendations and/or decisions. On behalf of the Task Force, the business entity handles the administrative and contractual functions needed to implement Task Force recommendations and/or decisions.

Functions of Task Force Business Entity

The business entity will have a narrow purpose. Primary functions of the Task Force business entity include:

- Implementing budgets.
- Tracking and managing money.
- Contracting with consultants and managing consultant contracts.
- Serve as fiscal agent for grants.

Proposed Business Entity Structure

The Task Force Administrative Work Group proposes that the business entity be set up as a Washington State non-profit organization (which is quick to establish). Since Idaho municipal entities (dischargers) cannot participate in a non-profit corporation per Idaho Constitution, a MOA/contract between the non-profit and the Idaho municipal dischargers would be set up to accommodate bi-state collaboration and coordination, as appropriate in the future. Once the Washington non-profit is formed, filing for Federal tax-exempt 501(c)(3) status would be completed.

Business Entity Membership

Washington State non-profit organizations typically include members, in addition to a board of directors. It is assumed that entities signing the Task Force MOA would be invited to be members of the business entity (except for the Idaho municipal dischargers, who would collaborate with the non-profit through a MOA/contract).

The business entity non-profit members will:

- Make decisions and develop recommendations through the Task Force, which will guide the operations of the business entity.
- Attend the non-profit member meetings and serve as advisors to the non-profit Board of Directors for issues not addressed through the Task Force.

Business Entity Board of Directors

A board of directors would be needed to manage the affairs of a Washington State non-profit. The board of directors would have a minimum of six (6) and a maximum of seven (7) directors. In recognition of their permit compliance responsibilities, and to support the Task Force goals and recommendations, the following five (5) Washington dischargers would be required to be board members:

- City of Spokane
- Spokane County
- Liberty Lake Sewer and Water District
- Inland Empire Paper
- Kaiser Aluminum Washington

The additional board members would include a representative from:

- Conservation and environmental interests, and
- Spokane Tribe of Indians (pending MOA signature).

The board member selection process will be determined and described in the non-profit articles of incorporation and/or by-laws, which will be reviewed by the Task Force as they are developed.

Business Entity Membership Dues

It is proposed that the business entity non-profit establish annual membership dues to cover annual administrative fixed costs. It is anticipated that different dues amounts would be set for different types of member entities. A combination of additional private and public sources of funds would be identified for funding initiatives/efforts beyond the annual administrative fixed costs.