

WEST SOUND UTILITY DISTRICT
Minutes of Regular Meeting of the Board of Commissioners
Held in Office Building
2924 SE Lund Avenue, Port Orchard, WA 98366
Monday, March 16, 2009

Chairperson: Jerry Lundberg
Vice Chairperson: James Hart
Secretary: Bill Huntington
Commissioner: Jeannie Screws
Commissioner: Susan Way

Attending: Larry Curles, General Manager
John Poppe, Plant Manager
Joe Redfern, Operations Foreman
Sue Fowler, Customer Service Manager
Denita Patton, Finance Manager
Rassy Elliott, Accounting Specialist
Richard Gross, District Attorney

The meeting was called to order by Commissioner Lundberg at 4:30 PM

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None

BOARD DISCUSSION/ACTION

Approval of Board Minutes of March 2, 2009

Commissioner Huntington moved to approve the minutes of the March 2, 2009 Board meeting. The motion to approve the Board minutes, seconded by Commissioner Hart, passed unanimously.

Update from Tom Luce and Gordon Walgren/Rick Jensen on Legislative Issues

Gordon Walgren is the District's lobbyist for State legislative actions. He briefed the Board on the current Legislative session, which is now in its last half. The cut off dates for bills is now past; however, any bill can still be considered if the leadership decides that. The end of session will be April 26th and the proposed budget will probably be very draconian. There will probably be a referendum in 2009 for the voters to decide if they want to raise taxes or live with the State budget. Funding of the methane project may still be in the Governor's budget and the reclaimed water legislation continues through the process. The bill addressing WSDOT policy for buried

pipes did not make it pass the cut off date. Representative Haugen was concerned that it would be an expense to WSDOT and Senator Kilmer did not introduce a companion bill in the Senate for the same reason.

Tom Luce is the District's lobbyist for Federal legislative actions. He briefed the Board on the current federal funding. Congressman Dicks emphasis on stimulus money was to fund the completion of the Belfair sewer, which was about \$10 Million. Once that is fully funded, he can consider other priorities, such as the District's project to extend the reclaimed water system to the South Kitsap Community Park. A STAG grant application for design of this project was submitted to the Congressman. With the new administration, the District will need to educate the new agency administrators on its project. Tom recommends that Congressman Dicks visit the District in the next 8 weeks.

Resolution 105-09 Notice of Encroachment

This resolution authorizes the General Manager to record a Notice of Encroachment against the property which is encroaching on the District's Krista Firs well site. The property owner and attorney have yet to discuss this issue with the District and this will serve as a place holder to notify any future property owner or lending institution about the encroachment. Commissioner Screws moved to approve Resolution 105-09 to authorize the Notice of Encroachment concerning the Krista Firs property. The motion, seconded by Commissioner Hart, passed unanimously.

Resolution 106-09 Connection Fees

This resolution updated the connection fee resolution and eliminated the Clover Valley late comer fee, but did not change any other fee amounts. Commissioner Hart moved to approve Resolution 106-09 to approve the 2009 connection fee resolution. The motion, seconded by Commissioner Huntington, passed unanimously.

Resolution 107-09 SEPA

This policy formally adopted the Annapolis Water District SEPA policy for West Sound Utility District. Commissioner Huntington moved to approve Resolution 107-09 to approve the District SEPA policy. The motion, seconded by Commissioner Screws, passed unanimously.

Resolution 108-09 Approving the 2009 Capital Facilities Plan

Pursuant to the recommendation of the Sewer Advisory Committee, this resolution would adopt the 2009 Capital Facilities Plan for the South Kitsap Water Reclamation Facility. Commissioner Hart moved to approve Resolution 108-09 to adopt the 2009 Capital Facilities Plan for the South Kitsap Water Reclamation Facility. The motion, seconded by Commissioner Huntington, passed unanimously.

Resolution 109-09 Policy for Account Bankruptcy

This resolution modifies the existing bankruptcy policy by changing “shall” to “may” for filing certificate of delinquency. Commissioner Screws moved to approve Resolution 109-09 to modify the District bankruptcy policy. The motion, seconded by Commissioner Hart, passed unanimously.

Resolution 110-09 Electronic Payment Policy

This resolution modifies the policy for accepting credit card payments. The new limit is \$500 and the District will not accept credit card payments in excess of that amount. Commissioner Huntington moved to approve Resolution 110-09 to modify the electronic payment policy. The motion, seconded by Commissioner Hart, passed unanimously.

Resolution 111-09 HDR Construction Administration, Sedgwick Water/Sewer Mains

This resolution authorizes HDR to assist in the construction administration of the Sedgwick Road Water and Sewer Main contract. Commissioner Hart moved to approve Resolution 111-09 to retain HDR Engineers for construction administration assistance in the Sedgwick Road Water and Sewer Main contract for a cost not to exceed \$62,500. The motion, seconded by Commissioner Screws, passed unanimously.

Resolution 112-09 Policy for Employees Who Are Elected Officials

This resolution modifies the District policy to allow its employees to serve as appointed Board members in certain circumstances. Commissioner Huntington moved to adopt Resolution 112-09 to include Kitsap County board members in the District policy for employees serving as elected officials. The discussion included consistency and controls by the District and the limitations of when this policy applies. The General Manager is tasked with determining when these out-of-district responsibilities adversely affect the District. The motion, seconded by Commissioner Hart, passed unanimously.

ATTORNEY'S REPORT

District Attorney Rick Gross reported he will provide a copy of the Notice of Encroachment to Mr. Gilstrap's attorney after it is recorded.

He discussed the recent Supreme Court case of Lane vs. City of Seattle in which Seattle was incorrectly charging a fee for hydrant maintenance to all its water customers. The Court determined that this was a tax and not a fee and Seattle lost the case. The case does not appear to apply to water districts since they do not have taxing authority. It could apply to cities, counties, and PUDs, all of which have taxing authority.

PLANT MANAGER'S REPORT

Plant Manager John Poppe reported on the following:

- The plant is running well and within its permit parameters.
- The plant had high Total Suspended Solids recently due to silt from the Horstman Heights construction site. That contractor was allowed to pump stormwater into the sewer and inappropriately pump the pond silt. This affected the biological process and added extra work to the staff.
- Ecology is open to modifying the NPDES permit concerning BOD. This would avoid a repetition of the BOD violation from last November. The City will be contacted and the permit revision process commenced.
- The entry way painting is completed and the staff is in progress of reconstruction one of the glass walls.
- The maintenance room garage door will be moved to the storage room and a new wall constructed.
- The former chlorine room will have its walls mortared and painted. Using drywall was too expensive.
- The computer maintenance program is being established and data is being inputted.
- We are awaiting the EPA determination on the Class A standard for biosolids.
- Ecology is processing the biosolids land application permit and will visit the Facility this week.
- A second copy of the Reclaimed water report was sent to Department of Health for its review.
- Work on Blake Island continues.
- Commencement on the Blake Island Grease Interceptor is awaiting the required insurance forms.

Commissioner Screws noted that the Blake Island efforts are saving the State considerable money. This is a good topic of "Good News" for the media.

OPERATIONS FOREMAN'S REPORT

Operations Foreman Joe Redfern reported on the following:

- The water crew has completed flushing the water mains.
- Water Utility Specialist II Kevin Long is back to work on light duty.
- The water and sewer crews are cross-training. This includes sewer shut offs, water meter installations and service calls.
- Converse Avenue Sewer Main is almost ready for the punchlist.
- The three heat exchangers have been moved from the garage to outside of the building.
- The gutters are being replaced.

FINANCE MANAGER'S REPORT

Finance Manager Patton reported that the 2006-2007 Audit is done and there were no findings.

CUSTOMER SERVICE MANAGER'S REPORT

Customer Service Manager Sue Fowler reported she did a 100% audit of the sewer accounts to verify that all are properly being billed.

GENERAL MANAGER'S REPORT

The General Manger reported on the following:

- The Economic Stimulus applications were submitted. With the large demand for this money, it is doubtful; the District projects will be selected.
- The City of Port Orchard is annexing the Fred Meyers commercial area. This will not affect the District.
- The revenue bond sale may be on April 6th and 7th.
- The Board was reminded about the Risk Pool meeting on Thursday and the SAC meeting on Wednesday.
- The draft Spring Newsletter was provided for review.
- If the District does not intend to provide methane gas to the Retsil Veterans Home, the Department of Veterans Affairs should be notified. After discussion, it was decided to send the notification this week.

COMMISSIONER'S REPORT

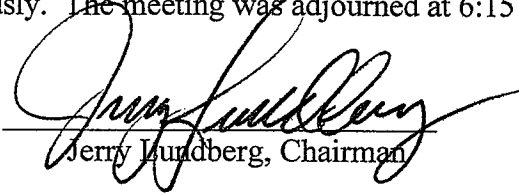
- Commissioner Screws reported that she attended the Washington Association of Sewer and Water Districts (WASWD) Government Relations Committee and will be attending the Leadership Committee meeting. She will attend the Risk Pool meeting in Bellevue.
- Commissioner Way is scheduled to attend the Risk Pool meeting in Bellevue.
- Commissioner Huntington is scheduled to attend InterOp in Las Vegas with the Network Administrator.
- Commissioner Hart attended the Audit Exit Conference and will attend the Risk Pool meeting in Bellevue.
- Commissioner Lundberg attended the Audit Exit Conference.

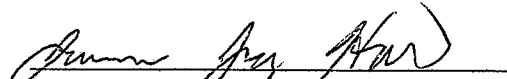
SIGN VOUCHERS AND RESOLUTIONS

The Board signed March payroll affidavits and accounts payable vouchers, as indicated on the attached summary sheet.


ADJOURN


Commissioner Hart moved to adjourn the meeting. The motion, seconded by Commissioner Huntington, passed unanimously. The meeting was adjourned at 6:15 P.M.


Jerry Lundberg, Chairman


James J. Hart, Vice Chairman


William H. Huntington, Secretary


Jeannie Screws, Commissioner


Susan Way, Commissioner

**PAYROLL AND ACCOUNTS PAYABLE VOUCHER INFORMATION
MARCH 16, 2009 WSUD BOARD MEETING**

MARCH 2009 PAYROLL:	91926	118,306.21
	91928	52,981.10

ACCOUNTS PAYABLE:	<u>VOUCHER NUMBERS</u>	
91926	16522 - 16547	13,008.24
	16550 - 16572	31,773.90
	TOTAL 91926:	44,782.14

91928	8116 - 8127	17,436.53
	8128 - 8142	7,784.64
	TOTAL 91928:	25,221.17

91932	8115	1,360.86
	8143 - 8144	873.04
	TOTAL 91932:	2,233.90

91933	16548 - 16549	72,518.30
	TOTAL 91933:	72,518.30