

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, July 20, 2009

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

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

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 July 6, 2009

Commissioner Huntington moved to approve the minutes of the July 6, 2009 Board meeting. The motion, seconded by Commissioner Hart, passed unanimously.

Presentation on District GIS Mapping

Mapping Specialist Darren Podraza demonstrated the District's mapping system to the Board. He has been locating essential features such as manholes and water valves with GPS to create a highly accurate digital map on the GIS system. He is about 1/3 completed with locating the meters and 80% completed with the valves and hydrants.

Resolution 140-09 Acceptance of Red Spruce Water Main Repair

The General Manager reported that the water main repairs on Red Spruce Drive have been completed. Commissioner Hart moved to adopt Resolution 140-09 accepting the water main repairs on Red Spruce Drive. The motion, seconded by Commissioner Way, passed unanimously.

#### Resolution 141-09 Restructuring District Funds

Finance Manager Patton reported that the District funds needed to have some minor restructuring and this resolution meets that requirement. Commissioner Hart moved to approve Resolution 141-09 to restructure the District funds. The motion, seconded by Commissioner Way, passed unanimously.

#### Resolution 142-09 Restructuring District Debt Service Funds

Finance Manager Patton reported that the proposed resolution modifies the existing debt service funds to reflect their structure, as established by the office of the Kitsap County Treasurer. Commissioner Screws moved to approve Resolution 142-09 to modify the District debt service funds. During discussion, it was noted that this resolution sets the effective date at April 6, 2009. The motion, seconded by Commissioner Hart, passed unanimously.

#### Set Sedgwick Meadows Annexations Public Hearing for August 17, 2009

Kitsap County Boundary Review Board has approved the Sedgwick Meadows annexation. Commissioner Screws moved to set the public hearing for the August 17<sup>th</sup> regular scheduled Board meeting. The motion, seconded by Commissioner Hart, passed unanimously.

#### Advertising the Reclaimed Water Distribution System (Bid Opening of August 13<sup>th</sup>)

The General Manager reported that the plans and specifications are ready for advertising with a bid opening date of August 13<sup>th</sup>. The Board concurred with the bidding process for the Reclaimed Water Distribution System

#### Mid-Year Budget Review

The mid-year budget review has been completed and the following was noted:

1. The current water sales revenue is about \$53,000 less than projected, but will probably recover from the summer sales.
2. The budgeted amount of 50 new ERUs will probably be met.
3. The Penalty Income revenue is higher than projected, which is a sign of the bad economy.
4. The overtime costs are higher than normal, primarily due to the night work on the Sedgwick water/sewer project.
5. Budget amounts for computer issues, legal issues, and the audit and Lund Avenue expenses were recommended.

The following was recommended:

1. The Salmonberry Tank roof repairs would be completed in 2009. Other capital improvements would remain on hold.
2. The stand-by pay would be reduced from 2-people at \$20 each per day to 1-person at \$30 per day.
3. The Water Cycle Conference would be funded with \$5,000 of sewer revenue.
4. The Operations Foreman would be an exempt employee.
5. Install mission dialers on the last four sewer pump stations.
6. Budget for annual sexual harassment and diversity training.
7. Back flush the fire sprinkler system.

The Board's discussion noted that the District has to maintain its fiscal discipline and avoid unnecessary expenditures. The sewer rate is programmed to increase to \$50 for 2010 and this will further add to the burdens on the rate payers.

#### Mid-Year Budget Review SKWRF

The mid-year budget review for the treatment plant has been completed and the following was noted:

1. The City/District revenues are on schedule.
2. The septage program has been curtailed due to the problems processing the solids. This will reduce the projected revenue by \$40,000.
3. Budget amounts for services and natural gas were recommended.
4. The bulk purchases of chlorine will save the District about \$10,000.

Concern was expressed that the Equipment Replacement Fund is not being replenished and is being used for projects. The Facility Construction Fees are being used to help pay down the annual debt and the poor economy has slowed this home building market.

The available source of revenue is the leachate, which now has about \$57,000. That revenue is temporary and is currently not allocated to a specific project. If the SKIA pipeline is started, the City wants to use it for that project. The District staff would like to use the leachate revenue for essential improvements to the treatment plant. Also this money can fund the re-rating of the plant.

It is projected that the Treatment Plant may have a \$57,000 shortfall for 2009. The Plant's General Fund can be used at the end of the year to balance the budget.

#### ATTORNEY'S REPORT

District Attorney Gross reported that the Central Kitsap Fire District has had its policy for its public meeting room challenged. A group that was denied use of the room showed that the denial was a case of "view-point" discrimination and that the policy needs to be revised. He recommends that West Sound review its policy for renting the public meeting room.

## PLANT MANAGER'S REPORT

Plant Manager John Poppe reported on the following:

- The plant is running well.
- The EPA grant application for co-generation with methane will be sent out this week. It is a 50% matching grant for a \$950,000 program. The PSE grant would help cover the SKWRF local match.
- The staff is preparing the Puget Sound Energy grant application for co-generation with methane.

## OPERATIONS FOREMAN'S REPORT

Operations Foreman Joe Redfern reported on the following:

- Cross training continues. Joint projects included moving water services and televising sewer lines.
- The Sedgwick water main construction has commenced. The realignment of the Converse intersection required one home to connect to the new Converse sewer main.
- The Converse Avenue sewer main punch list should be completed in July.
- Water demand in June was 79,516,900 gallons and that included 5 days in which demand was over 3 million gallons per day.

## FINANCE MANAGER'S REPORT

Finance Manager Denita Patton has returned from attendance at the 100<sup>th</sup> year annual NAACP convention in New York.

## CUSTOMER SERVICE MANAGER'S REPORT

Customer Service Manager Sue Fowler will be at the FEMA training center next week.

## GENERAL MANAGER'S REPORT

General Manager Larry Curles reported on the following:

- The District staff will make a presentation on computerized maintenance scheduling at the next meeting.
- The District helped locate a water hammer issue for the Retsil Veterans Home.
- District sewer employees used the TV equipment to help a new rate payer identify a blockage in their sewer line.
- The City and District ERU counts have been completed for the 2010 budget.

SIGN VOUCHERS AND RESOLUTIONS

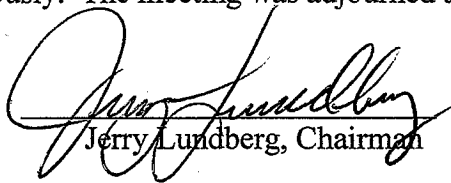
Commissioner Screws moved to approve the accounts payable vouchers and payroll, as indicated on the attached summary sheet. The motion, seconded by Commissioner Hart, passed unanimously.


COMMISSIONER'S REPORT

- Commissioner Screws attended the Washington Association of Sewer and Water Districts Board meeting and Leadership Development meetings. She plans on attending the Section Meeting this week and another WASWD Board meeting.
- Commissioner Lundberg received correspondence from Mayor Coppola. After discussing the invitation to have the Mayor brief the District on its annexation plans, the consensus was to encourage him to attend a Board meeting.

ADJOURN

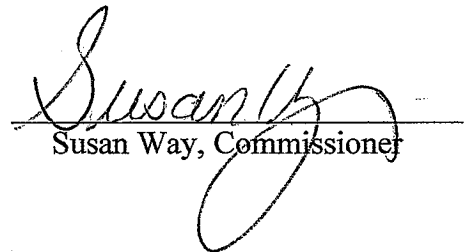
Commissioner Hart moved to adjourn the meeting. The motion, seconded by Commissioner Huntington, passed unanimously. The meeting was adjourned at 6:05 P.M.

  
Jerry Lundberg, Chairman

  
James J. Hart, Vice Chairman

  
William H. Huntington, Secretary

  
Jeannie Screws, Commissioner

  
Susan Way, Commissioner

**PAYROLL AND ACCOUNTS PAYABLE VOUCHER INFORMATION  
JULY 20, 2009 WSUD BOARD MEETING**

<b>JULY 2009 PAYROLL:</b>	<b>91926</b>	<b>120,123.60</b>
	<b>91928</b>	<b>55,236.94</b>

<b>ACCOUNTS PAYABLE:</b>	<b>VOUCHER NUMBERS</b>	
<b>91926</b>	16998 - 17018	122,279.95
	17020 - 17043	58,787.46
	<b>TOTAL 91926:</b>	<b>181,067.41</b>

<b>91928</b>	8423A - 8444A	46,288.42
	8445 - 8457	8,052.94
	<b>TOTAL 91928:</b>	<b>54,341.36</b>

<b>91932</b>	8422 - 8424	1,198.40
	8438	1,061.54
	<b>TOTAL 91932:</b>	<b>2,259.94</b>

<b>91933</b>	17019	15,621.57
	<b>TOTAL 91933:</b>	<b>15,621.57</b>