

**MINUTES OF THE July 11, 2011
FREELAND WATER and SEWER DISTRICT
COMMISSIONERS MEETING**

Meeting Place
Freeland Library
5495 South Harbor Avenue
Freeland, WA

In Attendance:

Commissioner – Nolen Knickerbocker
Commissioner – Jim Short

Commissioner – Eric Hansen

Andy Campbell – Certified Operator
Sandy Duncan – Administrative Assistant
Gary Hess-Davido Consulting Group
Quin Clements-Davido Consulting Group

CALL TO ORDER: Commissioner Knickerbocker called the meeting to order at 5:50 p.m. followed by the pledge of allegiance.

PUBLIC COMMENT-WATER: None

APPROVE AGENDA: A motion was made by Commissioner Short to approve the agenda. The motion was seconded by Commissioner Hansen and passed.

APPROVE MINUTES: A motion was made by Commissioner Short to approve the minutes of the May, 9, 2011 and June 13, 2011 meetings as written. The motion was seconded by Commissioner Hansen and passed.

OLD BUSINESS:

1. Resolution 11-05 Acceptance of Silverfin Developer Extension. Upon review.

ACTION: A motion was made by Commissioner Hansen to approve Resolution 11-05 accepting Silver Fin Facility Conveyance and Acceptance Agreement. The motion was seconded by Commissioner Short and passed.

2. Meeting location for workshop. Commissioner Short noted that he has received approval by Windermere to have the workshops that are held on the 4th Monday of the month at the Windermere office located at 5525 Freeland Avenue, Freeland. If for some reason Commissioner Short is unable to attend a workshop, the workshop will be re-located to the District office.

NEW BUSINESS:

1. Davido Contract. Commissioner Hansen requested time for additional review of the contract; he agreed to review his concerns with our attorney Al Hendricks. Sandy was asked to put this on the August 8th agenda.
2. Operation and Annexation of Harbor Hill Water, Public Works loan application. Sandy reviewed that the board from Harbor Hill Water would like the District to take over operations of their system and complete annexation. Sandy reviewed that they had requested annexation in the past, which was subject to the District obtaining a WASRP grant to update their system to meet district standards.

Upon discussion the commissioners requested that we get a letter of commitment from the Harbor Hill homeowners with a deposit of \$3,000 for formation of an LID to fund the improvements needed to bring their water system up to District standards. Gary added that the Public Works Board (PWB) currently has money for this type of project; however applications are due July 21, 2011. Gary estimated that it would take 20 hours to complete the application. This item was tabled to July 12, 2011 at 5:45 p.m. in order for Sandy to get a letter of commitment and authorize a commissioner to sign the PWB application. Commissioner Hansen would like to verify with Al Hendricks on the legal end that we would be moving forward on a project on their behalf. Commissioner Hansen agreed that he would contact Al.

3. Al Hendricks. Sandy reviewed that we received a letter from Al on his termination of representation with Freeland Water and Sewer District effective September 1, 2011. A copy of the letter is attached. Sandy noted that per Al we do not have to go out to bid on this and he will also recommend a few firms that work with Special Purpose Districts.
4. Water Rights Amendment #2 to Cost Reimbursement Agreement-DOE.

ACTION: A motion was made by Commissioner Hansen to approve the DOE's Amendment #2 in the amount of \$3,875 to the Cost Reimbursement Agreement. The additional budget would fund an analysis of the groundwater implications of diverting water from local drain fields to a centralized water reuse site. . The motion was seconded by Commissioner Short and passed.

OTHER REPORTS:

1. Maintenance report. Andy reviewed his report. A copy is attached.
 - a. Joanne Drive had another break on the 2 inch galvanized pipe. Commissioner Knickerbocker suggested that we move this project up on our capital improvement plan. Andy was asked to put together an estimate of costs for the next meeting.
 - b. Andy reviewed that we received our sanitary survey; a copy is attached and is next due in 2016.

- c. Commissioner Hansen questioned why we have a phone at the well site for Freeland. Andy explained that this is an auto dialer and if the pumps fail, power outage etc., the system will automatically call Andy. Andy was asked to get an estimate to install an auto dialer system at Harbor Hills for emergencies.
 - d. Sandy reviewed that the consumption for both districts was within 1% of what was pumped to what was billed.
 - e. The Atec treatment plant is due the end of July – 1st week in August for well #3, with installation late August to mid September.
2. Administrative report. Copies of Sandy's reports are attached.
- a. Sandy reviewed that she has talked to Betsy at the Freeland Library and if the District donated flags they would be the property of Sno-Isle and could be moved to another library. There is no guarantee that they will remain at Freeland. Upon discussion Sandy was research the costs and report at the next meeting.
 - b. Lou Malzone asked who received the newsletter. Sandy reviewed that every property owner in the District received a copy of the newsletter, not just the water customers.
 - c. Chelle Brunke asked if she could have a list of all the property owners addresses. Sandy reviewed that copies have already been given out to the FAIRS and to CAC member i.e. Marilynn Abrahamson, John Chaffins.

SEWERS:

1. Citizen Advisory Committee (CAC) – Report-A copy of the written report is attached. Lou reviewed that after the CAC meeting Al and John met with Holmes Harbor Sewer District. HH has processing capacity but lacks water re-use capacity. Al Peysner explained that if Freeland delivered our effluent to HH we would need to pay for the additional capacity, and the CAC asked HH to determine how much they would charge per month for treatment and what upgrades would be required. HHSD estimated \$5,000 in engineering fees to develop the information requested by the CAC.
 - a. Request \$5,000 for costs to develop info on HHSD. Upon discussion this item was tabled for discussion at the workshop on July 25th. Commissioner Hansen noted that he will not be in attendance at the workshop, but he is in favor of a budget allowance up to \$10,000. Upon discussion it was agreed to table this for discussion at the workshop on July 25th.
 - b. Letter of Intent-It was determined that the District will prepare letters requesting the cooperation of the Holmes Harbor and Main Street sewer systems. Gary was asked to draft said letter for signing. Meg noted that she has discussed this with the Holmes Harbor Board and they have agreed to work with Freeland Water and Sewer District and CAC and she will expedite it through there board. Commissioner Hansen agreed to review these items with Al Hendricks.

- c. Gary was authorized by the commissioners to coordinate release of the necessary documentation. That will be reviewed with the CAC at their meeting on Thursday.
 - d. Lou Malzone suggested rerunning the financial analysis using a 1.6 percent growth rate through 2025 versus the 8.9 percent currently assumed. Gary explained that this is not an easy task and could be up to 20 hours per firm to recalculate. Gary reviewed the process that needs to occur in order to change the figures in the PER on the growth rate, which is mandated by the State and in turn the County. Upon discussion the commissioners requested that Gary Hess get an estimate on how much it would cost to redo the analysis.
 - e. Team meeting with Consultants and CAC. It was agreed that a meeting between the CAC and consulting team would be of benefit once the CAC develops additional questions.
2. How to proceed on items that will not change even if recommendation by CAC changes direction by the district. (survey mapping) Commissioner Knickerbocker explained that Gary estimates \$30,000 to get a survey of what is in the ground, i.e. phone, power, water lines in order to prepare for construction. Upon discussion it was agreed to hold off on the survey at this time.
 3. Update IACC on status of grant funding and project. Sandy reported that we just received a letter from DOE on the loans and grants awarded to the district. She will follow up with a letter declining the loan in lieu of the grant. She noted that she did notify DOE of this in an earlier email. Gary reviewed that we have been meeting with the Infrastructure Assistance Coordination Council (IACC) on this project which consists of both State and Federal funding agencies to bring in money for this project. Upon discussion, it was agreed to have Katy to go ahead and update the IACC on the grant received.

PUBLIC COMMENTS-SEWERS:

1. Chelle Brunke asked who authored the Newsletter and Benefit Analysis User Guide that was in the recent mailing. Commissioner Knickerbocker stated that it was a team effort with Triangle, Gary, tech team, Bob Macaulay and was approved by the Board.

EXECUTIVE SESSION-Land/easement acquisition as needed: Not required.

VOUCHERS:

Account #702 Operations - Voucher #7436 to #77457 in the amount of \$21,771.91 were reviewed, approved and signed.

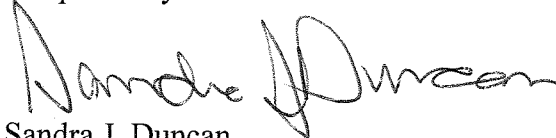
Account #742-Sewer - Voucher #170 to #174 in the amount of \$21,552.51 were reviewed, approved and signed.

ADJOURN MEETING:

The regular meeting was recessed till Tuesday July 12, 2011 at 5:45 p.m. in order to authorize signing of DOE application for Harbor Hill and to Monday July 25, 2011 at 5:45 p.m. for workshop on the CAC budget.

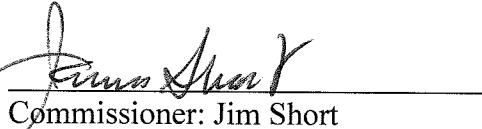
The meeting was recessed at 7:40 p.m.


Respectively Submitted


Sandra J. Duncan

Approved:


Commissioner: Nolen A. Knickerbocker


Commissioner: Jim Short


Commissioner: Eric Hansen