

**MINUTES OF THE January 09, 2012
FREELAND WATER and SEWER DISTRICT
Regular Meeting
Freeland Library**

Present: Commissioners Hansen, Malzone and Abrahamson

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

Attendees: John H Brunke, Al Peyser, Brian Kelly, Chelle Brunke, Martha Randall, Gabriele Delon, John Chaffins, Emyle Malzone, Bill and Gillian Lewis, Carol Hanna, Meg Wingard, Keith Tester, Bob Hunter, Jim Santrock, Rocky Knickerbocker, Mitch and Karen Streicher, and Julie Lauderdale.

CALL TO ORDER: 5:45 p.m. Followed by the Pledge of Allegiance.

OATH OF OFFICE: The oath of office was administered to Lou Malzone by Sandy Duncan.

ELECTION OF OFFICERS:

ACTION: Commissioner Abrahamson motioned to elect Commissioner Hansen as president. Commissioner Malzone seconded and passed.

Commissioner Abrahamson motioned to elect Commissioners Malzone Vice President. Commissioner Hansen seconded and passed.

Commissioner Malzone motioned to elect Commissioner Abrahamson as Secretary/Treasure. Commissioner Hansen seconded and passed.

PUBLIC COMMENT – WATER:

John Chaffins asked about completion of the treatment plant. Andy reported: treatment plant is 96% complete. District will send a notice to customers when flushing will occur.

APPROVE AGENDA: 3 items were added to the agenda under new business 8a, b, and l and item 14 was removed.

ACTION: Commissioner Malzone motioned adoption of agenda as amended. Commissioner Abrahamson 2nd. Motion passed.

WATER-UNFINISHED BUSINESS:

1. Well #3 Treatment Plant status. Representative from ATEC should be here this month to do the start up and testing.

2. Legal representative selection. Commissioner Hansen agreed to contact each of the firms that submitted proposals and Inslee Best to arrange meetings.

WATER-NEW BUSINESS:

1. Authorization authority for transfer between Sewer and Operation Accounts. It was agreed that all new transfers between accounts will be by resolution only.
2. Resolution 12-02-Transfer of \$35,000 from Sewer to Operations. Sandy read the Resolution 12-02 into the record.

Action: Commissioner Malzone motioned to adopt Resolution 12-02 to transfer \$35,000 from the Construction account into the Operations account. Commissioner Abrahamson seconded and motion passed.

Commissioner Abrahamson motioned all transfers between accounts require a resolution by the Board of Commissioners. Commissioner Malzone 2nd. A resolution to be prepared for reviewed at the next meeting to include all transfers between accounts.

3. Rural Economic Grant-State Audit-Island County. In process, Commissioner Abrahamson will review prior to submittal to the County.

Commissioner Abrahamson reported that the District will need to transfer \$563,822.13 which was the cost of the 80-Acres back to the County. This will require a motion to issue a warrant. Commissioner Abrahamson has discussed this with the Budget Director Elaine Morrow and Commissioner Helen Price Johnson and they want to see the funds be credited back to the Rural Economic Fund. This will in turn provide \$563,000 for the sewer project. Commissioner Malzone noted that this will eliminate the contingent liability if we do not use the Trillium property. Commissioner Abrahamson noted that upon receipt by the County they will in turn write a letter to the District acknowledging receipt of the funds and will not amend the Interlocal agreement. Commissioner Abrahamson read the memo from Elaine Morrow into the record. (a copy is attached) Gary Hess requested a copy of the memo from Elaine. No additional action at this time.

4. Whidbey Water Services contract renewal. Whidbey Water Services agreed to continue service through March 12, 2012 under existing contract. New contract tabled to March 12th district meeting.
5. Edwards & Associates CPA's contract renewal. Edwards & Associates agreed to continue service through March 12, 2012 under existing contract. New contract tabled to March 12th district meeting.

Action: Commissioner Abrahamson motioned to extend the letter of engagement for services with Edwards & Associates to March 12, 2012. Commissioner Malzone seconded and motion passed.

6. 2012 meeting schedule-workshop schedule.

Action: Commissioner Malzone motioned to approve the 2012 district meeting schedule. Commissioner Abrahamson seconded and the motion passed.

7. 2012 budget-Capital Improvement Program. Tabled to workshop on Wednesday January 18th. All commissioners agreed to submit questions to Edwards & Associates, CPA's, prior to workshop.

8. Resolution 12-01-Updating District Rules & Regulations.

Action: Commissioner motioned to approve Resolution 12-01 Updating District Rules and Regulations. Commissioner Hansen seconded and the motion failed. Tabled to next meeting.

9. Improvements to posting on District Website. Commissioner Abrahamson suggested that all attachments to the minutes be included on the website. Commissioner Abrahamson will investigate.

10. District Newsletter. Commissioner Abrahamson suggested and agreed to prepare a newsletter to be included with the water billing that goes out the end of February.

11. Multi-Family water consumption rates. Commissioner Abrahamson suggested a new rate for the Holmes Harbor Mobile Home Park, she suggested that the total monthly consumption for multi-family whether rented or owned shall be divided amongst all the individual units instead of as a whole. Sandy was asked to prepare a comparison similar to the existing multi-family rate. Tabled to next meeting.

Meg Wingard asked if when we have common customers that are in arrears with both districts would the district consider a co-operative relationship with Holmes Harbor Sewer District by shutting off the water to a delinquent account. Andy Campbell noted that we received a legal opinion on this issue before and it is illegal for the district to shut off water to a customer if they are behind with another Utility district. Rocky Knickerbocker suggested that once an attorney is hired that this be reviewed by them.

12. Resolution 12-03 Alternate Auditing Officer.

Commissioner Malzone made a motion to approve Resolution 12-03 appointing Candy Charwood as alternate auditing office. Commissioner Abrahamson seconded and motion passed.

Andy Campbell: MAINTENANCE REPORT – Available for public inspection

Sandy Duncan: ADMINISTRATIVE REPORT: Available for public inspection

SEWERS UNFINISHED BUSINESS:

1. Citizens Advisory Committee (CAC)-Report attached. John Brunke reported that a proposal that they are investigating is using a mixed system of sewers and on-site septic is whether or not the District might have to take over the inspections of the on-site septic systems in the area. Jerry Stonebridge proposed that we develop a system to look at risk, based on location of the system relative to critical water and the age of the system which would be an extra burden for the District if we have to. They are meeting with Keith Higman to discuss this issue further. They are also discussing population and statistics which will be an on going issue. The biggest technical issue is the disposal of the water from the MBR plants that they are proposing. They are also awaiting for a response on constructed wetland from DOE report.
2. John reviewed the goal of the CAC 1) find an affordable disposal of treatment water discharge 2) Re-draft the sewer plan to the new phasing 3) obtain cost estimates for phase I-commercial core 4) prepare formal report to the Chamber and to the public on this proposal 5) prepare brochure on proposed new program and find out if we received the support from the business core for the amount it will cost 6) Form an LID on phase I.

SEWERS NEW BUSINESS:

1. How to proceed on sewers.

Action: Commissioner Malzone made a motion to extend the service of the citizen's advisory committee and adopt a slightly revised scope of work through July 2012. Commissioner Abrahamson seconded and the motion passed.

2. Contract review and update – Davido Work Order Amendment #3-Tabled to next meeting.
3. Contract review and update – Tetra Tech Tabled to next meeting
4. Contract review and update – Chet Ross

Action: Commissioner Malzone made a motion to send a letter to Chet Ross effective February 15, 2012 terminating existing contract and authorizing Commissioner Hansen to sign. Commissioner Abrahamson seconded. Motion passed.

After meeting with Chet, Commissioner Abrahamson and Lou Malzone (prior to his swearing in) asked Chet to redefine his role with the District to include a grant strategy and how the Chamber will be involved.

5. Grants update: Rural Economic Development funds, DOE-Legislative Proviso. Commissioner Malzone reviewed that once draw #10 is reimbursed by the county we will be very close the having the \$563,000 that we need to pay back to the county on the land acquisition.

He added that before he was sworn in, he and Commissioner Abrahamson meet with DOE on the \$3.5m Legislative proviso grant and noted that the scope is fairly open on how the grant funds can be use.

6. Commissioner Malzone agreed to be the emergency contact with Andy Campbell and Commissioner Hansen agreed to be 2nd back up in the event of an emergency.

PUBLIC COMMENTS-SEWERS:

Kim Kelzer asked if the wording on the website “that failed sewers are polluting out Harbor can be removed and be tidied up. Commissioner Malzone noted that this will be worked on, however there is a lot of valuable information and they need to work through how to make some of the changes.

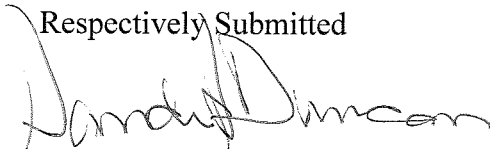
VOUCHERS: Reviewed, approved and signed

Account #702: Maintenance & Operations, Voucher # 7578 to #7598 for \$22,708.37

Account #742: Construction-Sewers, Voucher #193 to #195 for \$884.81


MEETING adjourned. 8:47 p.m.

Respectively Submitted




Sandra J. Duncan

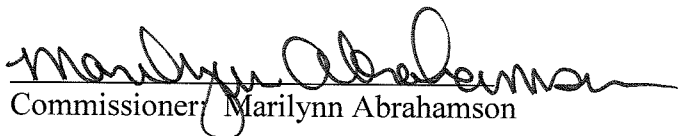
Approved:



Commissioner: Eric Hansen



Commissioner: Lou Malzone



Commissioner: Marilyn Abrahamson