

**MIDWAY SEWER DISTRICT
COMMISSIONERS MEETING
MAY 14, 2008**

Commissioners Hendrickson, Landon and Koester were present. Also present: Mr. Griffith, Mr. Crahan, Mr. Grodt, Mr. Snure, and Mr. Kase.

The meeting was called to order by the President at 9:00 a.m.

M/S/C approving the minutes of the Meeting of April 23, 2008, Commissioners Retreat of May 3 & 4, 2008, and the Commissioners Workshop of May 12, 2008.

VOUCHERS:

M/S/C approving Maintenance vouchers #0280359 through #0280425 in the amount of \$118,501.00, including special vouchers #0280359 through #0280368 in the amount of \$28,102.40.

Capital Improvement vouchers #0282022 through #0282024 in the amount of \$136,694.89.
Board approval of payment of \$58,213.46 for 28 employees for direct deposit of May payroll.

ADDITIONS:

M/S/C approving additions to accounts receivable as presented.

ADJUSTMENTS:

M/S/C approving adjustments to accounts receivable as presented.

COMPLETION OF DX 07-1 (JUDSON PARK) / RESOLUTION 2008-05:

The Manager reported that the conditions of developer extension contract DX 07-1, with American Baptist Homes have been satisfied and the project is 100% complete. It is now ready for acceptance by the District.

M/S/C approving Resolution 2008-05 which provides for the acceptance of DX 07-1 as complete.

GIS BUDGET EXTENSION REQUEST:

The Manager said that the consultant working on the District's Geographical Information System (GIS), PACE, has exhausted the current budget. Their performance has been satisfactory, however the District has added several new tasks for them to complete. They have requested an additional \$25,000 be added to their budget to complete the tasks they are currently working on. M/S/C authorizing the Manager to sign on behalf of the District an agreement to extend the budget for the GIS project by \$25,000.

COVENANT BEACH GENERATOR PROPOSAL:

The Manager said that an opportunity to obtain a site to place an emergency generator on the Des Moines Marina property to supply emergency power to the Covenant Beach Sewer Pump Station appears to be available. He requested permission to work with the City and their engineer, who is working on other utility improvements at the Marina and Des Moines Beach Park, for the necessary SEPA, permits, plans and specifications necessary for an emergency generator. Once plans and specifications have been developed the City Council can be approached with an easement request. He said he expects considerable savings in engineering and construction costs, as well as less inconvenience to the public as a result of this combined project with the City.

M/S/C authorizing the Manager to work with the City of Des Moines and their consultants for the purpose of situating an emergency generator for the benefit of the Covenant Beach Sewer Pump Station.

EDUCATIONAL REQUESTS OF MS. FORD AND MR. HEWLETT & MR. CAMPBELL:

M/S/C approving the educational requests of Cordelia Ford to attend a 1 day Electronic Records Management course, May 28, 2008, in Tacoma, WA and also of Kim Helwett and Tim Campbell to attend a 2 day IPM Workshop III course concerning IPM Turf Disease and Insect Diagnosis course, October 9 & 10, 2008, in Bellingham, WA.

REPORT ON SEAVIEW APARTMENTS CLAIM SETTLEMENT:

At the April 23, 2008, meeting, the Board instructed the Manager to find out the status of the Seaview Apts. claim. In response to these instructions the Manager contacted the claims adjuster assigned to this claim, Lorna Bolong. She estimated that the claim would end up costing about \$216,376.60. The Seaview Apts. owner has indicated that they will be willing to finalize their claim once the claims of all their tenants have been finalized.

REPORT ON THE ESTIMATED COST OF DEALING WITH GREASE:

Mr. Crahan presented three spreadsheets with information he has acquired concerning the maintenance costs the District incurs related to grease in the sewers. For the purpose of estimating he assumed that if the District had a FOG control program, all of the commercial grease would be eliminated but none of the residential grease would be eliminated. Based on estimated employee work hours and equipment costs, he concluded that it costs the District about \$28,000 per year to remove, flush and process commercial FOG. The Board instructed staff to continue their current practice of requiring new and existing problem restaurants to install grease interceptors. Commissioner Hendrickson suggested contacting all restaurants in the District and remind them that they need to maintain their grease interceptors periodically.

SEWER RATE INCREASE:

The Manager asked the Board if they had considered the information provided to them at this years Commissioners Retreat by Mr. Bishop. Mr. Bishop, the District's accountant, had demonstrated that without a rate increase the District's expenses would be greater than its income in about a year or so. He recommended a rate increase in order to maintain a safe margin between the District's income and expenses. The Manager recommended a \$2.00 per month rate increase for all residential customers and a \$2.00 per 750 cubic feet of water consumed per month increase for all commercial customers, to be effective January 1, 2009.

M/S/C approving the Manager's recommendation and instructing him to place a message on the sewer bills informing the customers of this upcoming increase in rates.

KEN KASE'S MANAGER REPORT:

The Manager distributed his written report on his recent activities.

WALT CRAHAN'S COLLECTION SYSTEM SUPERVISOR REPORT:

Mr. Crahan reported that his crews are capping the Golka side sewer today and that they have been working on the list of yearly sewer flushings.

PLANT SUPERVISOR'S REPORT:

Mr. Griffith reported that on May 7th they experienced the largest tour group yet at the treatment plant. On that day 89 students and faculty from Madronna Elementary School came to the plant. He is expecting another tour group from Highline Community College next week.

ENGINEER'S REPORT:

Mr. Grodt reported on the following:

1. Replace and Upgrade Automatic Transfer Switch – Contract documents are ready for District signature. A notice to proceed can now be given and the ordering of equipment and material can be ordered and a preconstruction conference can be scheduled.
2. Replace and Upgrade of the Treatment Plant HVAC System – Plans and Technical specifications are 90% complete and available for District review.

ATTORNEY REPORT:

Mr. Snure reported on the following:

Collections:

1. There are 5 customers in bankruptcy.
2. There are 2 active foreclosures.
3. There are 6 pending foreclosures.
4. There are 13 customers subject to Trustee sales.

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The next meeting will be May 28, 2008, at the District office at 4:00 p.m.

The meeting adjourned at 9:53 a.m.

KEN J. KASE

ATTEST:

VINCENT H. KOESTER - SECRETARY