

**MIDWAY SEWER DISTRICT
COMMISSIONERS MEETING
SEPTEMBER 24, 2008**

Commissioners Hendrickson, Koester and Landon were present. Also present: Mr. Allan Netherton, Ms. Marla Iwata, Mr. Crahan, Mr. Grodt, Mr. Matthew Chan, Ms. Ford and Mr. Kase.

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

The agenda for today's meeting was approved without modification.

M/S/C approving the minutes of the meeting September 10, 2008 and the workshop held September 22, 2008.

**WASHINGTON STATE AUDITOR'S ENTRANCE CONFERENCE FOR 2007
DISTRICT AUDIT:**

Ms. Iwata, Assistant Audit Manager, with the Washington State Auditor's Office explained the scope of this audit. She said that at the conclusion of the audit her office will issue two reports, an Accountability Report and a Financial Statements Report. She also indicated that should there be any significant issues, like problems with the cooperation of management or material misstatements, her office would be contacting the Board of Commissioners directly.

VOUCHERS:

M/S/C approving Maintenance vouchers #0280788 through #0280828 in the amount of \$73,718.49, including special vouchers #0280788 through #0280789 in the amount of \$1,249.24. Capital Improvement voucher #0282044 through #0282047 in the amount of \$40,117.81. 2007 PWTF PreCon voucher #0284011 in the amount of \$24,165.94. Board approval of payment of \$28,122.13 for 23 employees for direct deposit of the October draw.

LIENS:

M/S/C approving the liens as presented.

RELEASE OF LIEN:

M/S/C approving the release of lien as presented.

AMENDMENT TO SECTION 5.12 OF DISTRICT CODE / RESOLUTION 2008-13:

The Manager presented Resolution 2008-13 to the Board for their review. This resolution provides for the creation of a special facilities charge that would charge customers a proportionate share of the cost of facilities that benefit only their specific area. M/S/C tabling action on this resolution until the next meeting.

PACIFIC RIDGE DEVELOPMENT IMPACT TO THE DISTRICT / RESOLUTION 2008-14:

The Manager presented Resolution 2008-13 to the Board for their review. This resolution creates specific Special Facilities Charge Areas and triggers the development of the applicable charges for that area. M/S/C tabling action on this resolution until the next meeting.

REPORT ON KING COUNTY INVESTMENT POOL'S RECOVERY OF "MAINSAIL" IMPAIRED INVESTMENT:

The Manager reported that the King County Investment pool continues to recover the maximum value from the 4 impaired investments they made on our behalf. On September 18, 2008, the restructuring auction for the Mainsail investment was implemented. Recovery on Mainsail was lower than expected due to recent turmoil in the credit market and fewer buyers of asset-backed securities. It had been expected that recovery of the initial investment would be in the range of 60%. The actual recovery was in the range of 25%. The exact dollar impact to the District was not available at the time of the meeting.

COMMISSIONERS WORKSHOP OF OCTOBER 13, 2008:

The Manager suggested that it would be a good time to discuss employee salaries and benefits at the next workshop due to the fact that the Washington State Health Care Authority Public Employees Benefit Board open enrollment period is coming up soon. M/S/C setting the topic of the next workshop as employee salaries and benefits for 2009.

MANAGER REPORT:

The Manager distributed his written report on his recent activities.

OFFICE MANAGER REPORT:

The Office Manager reported on Springbrook Software, which is the program the District uses for Utility Billing as well as finance functions, such as payroll and General Ledger. The District is currently on Version 6.02. We upgraded to this Version in 2003. Springbrook Software has published Version 6.05 since our upgrade, and have rolled out their "latest and greatest", Version 7.0. The Office Manager reported that at the Annual Conferences, the versions shown for demonstration are Version 6.05 and 7.0. The Office Manager requested approval for purchasing the upgrade to Version 7.0 for \$24,000.00. Springbrook is quoting \$12,000 for the actual

software and \$12,000 for training. The training will be done on site. The Office Manager has forwarded the hardware requirements to Lighthouse Consulting for their review. Our current hardware will be capable to support the upgraded Springbrook program. M/S/C authorizing the purchase of Springbrook's Version 7.0 as quoted.

COLLECTION SYSTEM SUPERVISOR REPORT:

Mr. Crahan had nothing to report.

ENGINEER'S REPORT:

Mr. Grodt reported on the following:

1. Automatic Transfer Switch, Contract 2008-01 – The electrical inspector has approved the installation of the automatic transfer switch (ATS). There is one defective module in the ATS that needs replacement and the “as-builts” from the contractor need to be submitted. Once these two items are completed, the contract can be accepted.
2. HVAC Upgrade, Contract 2008-02 – The work in the operations building, except for the electrical work should be completed today.

The next meeting will be October 10, 2008, at the District office at 9:00 a.m.

The meeting adjourned at 9:26 a.m.

KEN J. KASE

ATTEST:

VINCENT H. KOESTER -SECRETARY