

**MIDWAY SEWER DISTRICT
COMMISSIONERS MEETING
May 13, 2009**

Commissioners Hendrickson, Landon and Koester were present. Also present: Mr. Griffith, Mr. Crahan, Mr. Grodt, Mr. Snure, Mr. Tomlinson, 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 of April 20, 2009.

VOUCHERS:

M/S/C approving Maintenance vouchers #0290370 through #0290430 in the amount of \$113,952.85, including special vouchers #0290370 through #0290386 in the amount of \$32,131.60.

Capital Improvement vouchers #0293020 through #0293021 in the amount of \$35,296.25.

2008 Public Works Trust Fund vouchers #0298005 through #0298007 in the amount of \$1,068,062.99.

Board approval of payment of \$64,699.24 for 27 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.

INTER-LOCAL AGREEMENT WITH DES MOINES FOR THE MARINA IMPROVEMENT PROJECT:

The Manager presented an inter-local agreement between the City of Des Moines and the District, which establishes the formal arrangements under which the District will pay the City to incorporate the District's sewer upgrades and relocations into the City's Marina Water Main Relocation project. He requested authorization to sign the agreement on behalf of the District. M/S/C authorizing the Manager to sign the inter-local agreement with the City of Des Moines on behalf of the District.

BID RESULTS FOR THE MARINA IMPROVEMENT PROJECT:

The Manager said that the City of Des Moines received 15 bids for the Construction of the Marina Water Main Relocation project. The District is schedule B to the City's contract. The apparent low bidder was Henderson Partners, from Gig Harbor. It is up to the City to award the contract. The Manager had no objection to the bid amount for schedule B (the sewer portion).

BID RESULTS FOR THE INFLUENT SCREENS REPLACEMENT / CONTRACT 2009-01:

Mr. Grodt said the bid opening for the influent screen upgrade was held on May 12, 2009, at 10:30 am, at the Midway Sewer District office. Ten bids were received ranging in price from the low bidder of \$416,707.00 to the high bidder of \$574,220.28. The engineers estimate was \$490,707.00. The low bidder, Stouder General Construction LLC, has previously done satisfactory work for the District. References were checked and all reported satisfactory results. It is therefore recommended that the District award Contract 2009-01 in the amount of \$416,707.00.

M/S/C awarding Contract 2009-01 to Stouder General Construction LLC.

DISTRICT REPLACEMENT PHONE SYSTEM RECOMMENDATION:

The Office Manager discussed the responses received for the RFP that was issued for a new phone system for the Office and Treatment Plant. The RFP was sent to 8 different vendors. We received 4 actual responses to the RFP. We met with the 2 finalists for the RFP yesterday with Brett Larson from Lighthouse, who has been our consultant for the RFP. The Office Manager suggested that we accept the bid from First-Call Communications, for \$20,238.32 as listed in the RFP.

M/S/C approving the selection of First-Call Communications for the purchase of a new phone system for the District.

THE MS. FERDE MISINFORMATION MATTER:

The Office Manager discussed Ygardu Ferde, who has requested reimbursement for her septic tank service. A dye test was done by the District on her property and District staff informed her that her property was not connected to the sewer. The customer hired a company to pump out her septic tank. The company discovered that the house plumbing did not go to the septic tank. A second dye test confirmed that the property was connected to the sewer. She has requested reimbursement for the amount she paid for the septic tank service.

M/S/C authorizing reimbursement to Ms. Ferde for her septic tank service expenses related to our inaccurate dye test.

REVIEW OF THE 2008 FINANCIAL STATEMENTS:

The Board reviewed the 2008 year end financial statements. The Manager pointed out that the number of users declined from the prior year and revenue is down and expenses are up.

KEN KASE'S MANAGER REPORT:

The Manager distributed his written report on his recent activities.

OFFICE MANAGER REPORT:

The Ms. Ford had nothing to report.

WALT CRAHAN'S COLLECTION SYSTEM SUPERVISOR REPORT:

Mr. Crahan reported the following:

1. His crews have started excavation and forming for the Saltwater Park generator.
2. There was an electrical problem with a transformer that we had last night at 7th Ave station.

JEFF GRIFFITH'S TREATMENT PLANT SUPERVISOR REPORT:

Mr. Griffith reported that he has found a supplier of fluorescent light fixture ballasts that is significantly less expensive than previously thought. As a result, he has calculated that the value of the energy savings will offset the installation costs in less than 5 years. Additionally, he believes that Puget Sound Energy may pay for up to 50% of the cost in the form of a grant. Commissioner Hendrickson indicated that he felt strongly that the installation of the new lights and ballasts should be done by an electrical contractor and not by District staff.

ENGINEER'S REPORT:

Mr. Grodt had nothing to report.

ATTORNEY'S REPORT:

Mr. Snure reported on the following:

Collections:

1. There are 5 delinquent customers in bankruptcy.
2. There are 7 delinquent customers in active foreclosures.
3. There are 8 delinquent customers in pending foreclosures.
4. There are 16 delinquent customers subject to Trustee sales.

EXECUTIVE SESSION (PURSUANT TO RCW 42.30.110 (g)):

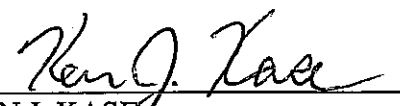
The President cited the purpose of the executive session is to discuss an ongoing employee dispute pursuant to RCW 42.30.110 (g). At 9:50 am, the President excused everyone from the meeting room except for Mr. Snure, Mr. Tomlinson, Mr. Kase, Ms. Ford, Mr. Griffith, Mr. Crahan, and the three Commissioners. He indicated that the session would last 10 minutes. At 10:00 am, Mr. Kase announced, outside the meeting room, that the executive session would last an additional 10 minutes. The executive session concluded at 10:10 am.

The next meeting will be held on May 27, 2009, at the District office at 4:00 pm.

The meeting adjourned at 10:11 a.m.

ATTEST:


VINCENT H. KOESTER - SECRETARY


KEN J. KASE