

**MIDWAY SEWER DISTRICT
COMMISSIONERS MEETING
October 14, 2009**

Commissioners Hendrickson, Landon and Koester were present. Also present: Ms. July Maha, Mr. Evans Anglin, Mr. Jim Griggs, Mr. Montieth, Mr. Grodt, Mr. Crahan, Mr. Snure, 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 September 23, 2009.

STATE AUDITOR'S ENTRANCE CONFERENCE – 2008 AUDIT OF THE DISTRICT:

Ms. Maha, Auditor in Charge, with the Washington State Auditor's Office explained the scope of this audit, and her office's mission statement. 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. Mr. Anglin indicated that there have been changes in the audit standards. Internal controls will be carefully looked at and if there are issues the Board will be alerted. No opinions concerning the internal controls will be expressed. There is an emphasis on communications. He said that audit rates have not changed in many years but the audit standards have. He warned that audit costs and a rate increase should be expected in the future.

VOUCHERS:

M/S/C approving Maintenance vouchers #0290854 through #0290905 in the amount of \$109,432.98, including special vouchers #0290854 through #0290868 in the amount of \$30,378.00.

Capital Improvement vouchers #0293035 through #0293036 in the amount of \$4,437.93.

2008 Public Works Trust Fund vouchers #0298020 Through #0298021 in the amount of \$82,677.39.

Board approval of payment of \$66,795.92 for 27 employees for direct deposit of October payroll.

ADDITIONS:

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

ADJUSTMENTS:

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

REVIEW OF 1ST QUARTER 2009 FINANCIAL STATEMENT:

The Board reviewed the first quarter financial statements of the District, as prepared by Benson & McLaughlin. It was noted that income was similar to the prior year despite the rate increase at the beginning of the year.

SWP 2009-A BID RESULTS (PAVING PUMP STATION & STREET PATCH):

The Manager reported that 3 bids were received for the paving called for in small works project 2009-A. The apparent low bidder was Asphalt Patch Systems, Inc. He suggested that the project be awarded to the low bidder.

M/S/C awarding SWP 2009-A to Asphalt Patch Systems, Inc.

SEWER SERVICE EXTENSION NEEDED PRIOR TO CITY STREET IMPROVEMENT PROJECT:

The Manager said that the City of Des Moines is planning significant improvements to 24th Ave. S. northerly of S. 216th St. There are several properties on the east side of 24th Ave. S. that currently do not have sewer service available. He recommended that the District sponsor an extension of the sewer system in advance of the City's street improvement project in order to avoid future disruption to the street subsequent to its improvement. He went on to say that at this time the extension should be designed and construction could be timed to take place just prior to or along with the City's project. The City does not have a firm timetable of when their improvement project will take place and they do not have funding for their project.

M/S/C authorizing the Manager to proceed with the design of a 24th Ave. S. sewer extension.

COGENERATION FEASIBILITY STUDY:

The Manager suggested that the District may want to explore the possibility of generating electricity with its digester waste gas or even perhaps a micro-turbine on the outfall. He said that an engineering firm could best analyze the feasibility of this potential project and it may qualify for a grant or other funding from Puget Sound Energy.

M/S/C authorizing a cogeneration feasibility study.

RESOLUTION 2009-11 AMENDING SECTION 5.08.010 OF THE DISTRICT CODE:

The Manager said that the City of Des Moines has raised their right-of-way permit fees from \$250.00 to \$540.00. The District must apply for these permits on behalf of developers and contractors who want to work on the sewer within the right-of-way, which involves staff time. Resolution 2009-11 provides for an increase the right-of-way permit fee the District charges to \$600.00 from \$300.00.

M/S/C approving Resolution 2009-11 as presented.

RESOLUTION 2009-12 AMENDING DISTRICT EMPLOYEE HANDBOOK:

The Manager presented Resolution 2009-12 to the Board for their review. This resolution would amend the District Employee Handbook section 310 and also create a new section 313 titled "Advance Travel Fund". If approved this resolution would provide for mileage prepayment instead of mileage reimbursement and also create a policy governing the use of the Advance Travel Fund.

M/S/C approving Resolution 2009-12 as presented.

WORKSHOP ON EMPLOYEE SALARIES AND BENEFITS FOR 2010:

The Manager suggested holding a Commissioners Workshop concerning employees salaries and benefits for 2010 in advance of the PEBB open enrollment period, which is October 26, 2009 through November 30, 2009.

M/S/C setting October 22, 2009 at 9:00 am, at the District office, for the Commissioners Workshop on employees salaries and benefits for 2010.

KEN KASE'S MANAGER REPORT:

The Manager distributed his written report on his recent activities.

CORDELIA FORD'S OFFICE MANAGER REPORT:

The Office Manager reported:

1. Her and her staff are currently in training this week for the Springbrook Version 7 upgrade. It has been kind of hectic, with having to do Accounts Payable and Payroll on the new system to be ready for today's meeting. It is going well and the Accounting staff is working hard and learning a lot.
2. Our yearly audit from the State Auditor's office began on September 28, 2009.

WALT CRAHAN'S COLLECTION SYSTEM SUPERVISOR REPORT:

Mr. Crahan had nothing to report.

SKIP GRODT'S ENGINEER'S REPORT:

Mr. Grodt reported on the Influent Screens, Contract 2009-01. He said that the electrical submittals have been submitted and approved, the electrical subcontractor started preparatory work yesterday and the screens will be delivered next Monday, October 19, 2009. Construction will follow.

BRIAN SNURE'S 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 3 delinquent customers in pending foreclosures.
4. 9 delinquent customers have entered payment agreements.
5. There are 11 delinquent customers subject to Trustee sales.

The Attorney General has issued an opinion authorizing sewer districts to replace side sewers on private property if the district can show a benefit to the ratepayers.

The next meeting will be held on October 28, 2009, at the District office at 4:00 pm. and there will be a Commissioners Workshop on October 22, 2009 at the District office at 9:00 am.

The meeting adjourned at 10:00 a.m.

ATTEST:

KEN J. KASE

VINCENT H. KOESTER - SECRETARY