

**MIDWAY SEWER DISTRICT  
COMMISSIONERS MEETING  
MAY 12, 2010**

Commissioners Hendrickson, Landon and Koester were present. Also present: Mr. Grodt, Mr. Crahan, Mr. Bishop, 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 April 28, 2010 and May 1 & 2, 2010.

**VOUCHERS:**

M/S/C approving Maintenance vouchers #300377 through #300421 in the amount of \$114,398.67, including special vouchers #300377 through #300386 in the amount of \$23,494.76. Capital Improvement voucher #204010 in the amount of \$9,483.80.

2008 Public Works Trust Fund vouchers #208008 through #208009 in the amount of \$220,225.00, including special voucher #208008 in the amount of \$220,000.00.

Board approval of payment of \$66,645.00 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.

**COMPLETION OF THE SALT AIR HILLS SEWER & WATER MAIN  
REPLACEMENT PROJECT / RESOLUTION 2010-03:**

The Manager reported that the Marc Montieth has certified that the Salt Air Hills Sewer and Water Replacement Project contract, has been completed and is ready for acceptance by the District. He presented Resolution 2010-03 to the Board for their review.

M/S/C approving Resolution 2010-03 as presented.

**COMPLETION OF THE DES MOINES MARINA SEWER REPLACEMENT PROJECT  
/ RESOLUTION 2010-04:**

The Manager reported that the Marc Montieth has certified that the Des Moines Marina Sewer Replacement Project constructed per an inter-local agreement with the City of Des Moines, has been completed and is ready for acceptance by the District. He presented Resolution 2010-04 to the Board for their review.

M/S/C approving Resolution 2010-04 as presented.

### **STEVE BISHOP'S CASH FLOW PROJECTIONS AND RATE RECOMMENDATIONS:**

Mr. Bishop, an accountant with Benson and McLaughlin, presented an excel spreadsheet he created demonstrating the District's cash flow projections and rate recommendations. His spreadsheet assumed a constant number of residential customer equivalents through the year 2019 and that expenses would increase by 3% each year. He applied the District's capital improvement plan including estimated costs and the year the improvement is scheduled for. He also took into account the funding of depreciation. Based on these and other assumptions, he recommended the District make annual increases to its sewer rates beginning with a \$2.00 per month increase in 2011. He cautioned that without a rate increase the District would be operating at a loss in the very near future. He also indicated that each year actual figures could be plugged into the spreadsheet replacing estimated values. This would provide for greater accuracy in projecting future rate increases.

M/S/C authorizing a \$2.00 per month per residential customer equivalent sewer service rate increase effective January 1, 2011, bringing the sewer rate to \$22.00 per month. The Board instructed the Manager to print notice of the rate increase on each sewer bill and to mention the rate increase in the next newsletter.

### **EDUCATIONAL REQUEST OF BROCK POWELL:**

The Manager presented an educational request of Brock Powell to attend the Pacific Northwest Pretreatment Workshop, September 14-16, 2010, at the Water Resources Center in Vancouver, Washington.

M/S/C approving the request.

### **KEN KASE'S FUTURE STAFFING RECOMMENDATIONS:**

Mr. Kase said that two key employees of the District intend to retire in 2011. He said that in order to ensure a smooth transition, he would suggest an overlap or training period so the retiring employees could provide training. In order to create openings in the organization he recommended promoting Jeff Griffith to Superintendent and Jim Bailey to the Supervisor of Operations and promoting or hiring two senior operators to replace them. He also mentioned that there are several other employees that may be retiring in the next five years. He requested authorization to hire two new employees.

M/S/C approving the request.

### **2009 WASTEWATER TREATMENT PLANT OUTSTANDING PERFORMANCE AWARD:**

The Manager presented a letter he received from the Washington State Department of Ecology which identifies the Midway Sewer District Des Moines Creek Wastewater Treatment Plant as a recipient of the 2009 "Wastewater Treatment Plant Outstanding Performance" award. The Board instructed the Manager to spread the news of this award and to get plaques for both the plant and office announcing this award.

**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 the following:

1. Dave Hoagland and Ashley Rindero from Benson & McLaughlin will be at the office next week to do the 1<sup>st</sup> Quarter 2010 compilations.
2. We have come across 2 accounts with billing issues. One account has multiple meters and we may not be billing all the consumption meters. The other account has 2 buildings, and we are billing the smaller building that is not connected to sewer and not billing the larger building that is connected to sewer. The Office Manager is working with District staff to verify all information before customers are contacted in regards to back bills, etc.

**WALT CRAHAN'S COLLECTION SYSTEM SUPERVISOR REPORT:**

Mr. Crahan had nothing to report.

**SKIP GRODT'S ENGINEER'S REPORT:**

Mr. Grodt reported on the Office Emergency Generator project. Comments have been received from District personnel. Appropriate changes will be made to the plans and specifications. Plans have been sent to L&I for comments on splicing the incoming PSE feeders. Plan to open bids on June 3 and award the contract on June 8.

**BRIAN SNURE'S ATTORNEY'S REPORT:**

Mr. Snure reported on the following:

**Collections:**

1. There are 6 delinquent customers in bankruptcy.
2. There are 5 delinquent customers in active foreclosures.
3. There are 9 delinquent customers in pending foreclosures.
4. There are 14 delinquent customers subject to Trustee sales.
5. There are 10 delinquent customers with payment agreements.

**COMMISSIONERS COMMENTS:**

Commissioners Hendrickson said that he needs to change the regular meeting schedule for June due to a conflict he has. He suggested moving the 1<sup>st</sup> meeting in June from the 9<sup>th</sup> to the 8<sup>th</sup>. M/S/C changing the meeting schedule for the first meeting in June to the 8<sup>th</sup> at 9:00 am. The Board instructed the Manager to prepare a resolution providing for this change and have it on the agenda for the next meeting.

The next meeting will be held on May 26, 2010, at the District office at 4:00 pm.

The meeting adjourned at 10:07 a.m.

ATTEST:

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KEN J. KASE

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JACK HENDRICKSON - SECRETARY