

**MIDWAY SEWER DISTRICT
COMMISSIONERS MEETING
SEPTEMBER 12, 2007**

Commissioners Hendrickson, Koester, and Landon were present. Also present: Marla Iwata, Brandi Breaux, Mr. Crahan, Mr. Griffith, Ms. Ford, Mr. Snure, Mr. Grodt, and Mr. Kase.

The meeting was called to order by the President at 9:30 a.m.

M/S/C approving the minutes of the Meeting of August 22, 2007 and the Workshop of September 11, 2007.

**WASHINGTON STATE AUDITOR'S AUDIT OF THE DISTRICT EXIT
CONFERENCE:**

Ms. Iwata from the Washington State Auditors Office conducted an exit conference for their audit of the District for 2006. She explained the audit coverage including the District's accountability and compliance with certain state laws and regulations as well as the District's own policies and the Financial Statements. Her office will be issuing two reports, an Accountability Report and an Independent Auditor's Opinion. She also reported that there were no findings or management letter items. There were three exit items concerning financial statement terminology, inventory of certain assets, and requested additional supporting documentation for attendance at training seminars and conferences.

VOUCHERS:

M/S/C approving Maintenance vouchers #0270720 through #0270782 in the amount of \$121,668.71, including special vouchers #0270720 through #0270729 in the amount of \$33,321.80. Capital Improvement vouchers #0270038 through #0270039 in the amount of \$80,775.83. Board approval of payment of \$55,826.38 for 28 employees for direct deposit of the September payroll.

ADDITIONS:

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

ADJUSTMENTS:

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

**ENGINEERING SERVICES CONTRACT FOR SUPPLEMENTAL SEDIMENT
SAMPLING, ANALYSIS, AND REPORT:**

The Manager reported that the Dept. of Ecology is requiring extra sediment sampling, analysis and reporting beyond what had been anticipated. URS has done the work to date under a separate contract. The extra work is substantial enough that a new contract is warranted. If

certain detection limits are not achieved in this round of sampling and analysis then chronic and acute bioassay testing will be required, which would be beyond the scope of the contract being discussed currently. He requested authorization to sign the supplemental marine sediment, sampling, analysis and data report contract.

M/S/C approving the request.

COMPLETION OF DEVELOPER EXTENSION CONTRACT DX 05-2 (MT. RAINIER HIGH SCHOOL) / RESOLUTION 2007-11:

The Manager reported that the conditions of developer extension contract DX 05-2, with the Highline School District have been satisfied and the project is 100% complete. It is now ready for acceptance by the District.

M/S/C approving Resolution 2007-11 which provides for the acceptance of DX 05-2 as complete.

COMPLETION OF DEVELOPER EXTENSION CONTRACT DX 05-8 (SUNSET GARDENS) / RESOLUTION 2007-12:

The Manager reported that the conditions of developer extension contract DX 05-8, with Jesse Doel have been satisfied and the project is 100% complete. It is now ready for acceptance by the District.

M/S/C approving Resolution 2007-12 which provides for the acceptance of DX 05-8 as complete.

COMPLETION OF DEVELOPER EXTENSION CONTRACT DX 06-2 (BOW LAKE ELEMENTARY SCHOOL) / RESOLUTION 2007-13:

The Manager reported that the conditions of developer extension contract DX 06-2, with the Highline School District have been satisfied and the project is 100% complete. It is now ready for acceptance by the District.

M/S/C approving Resolution 2007-13 which provides for the acceptance of DX 06-2 as complete.

OTHER BUSINESS:

The Manager reported on the following:

1. King County Investment Pool Memo dated August 31, 2007 – Some commercial paper investments have been downgraded. This could affect the value of the portfolio.
2. Developer Extension Projects that require extra attention:
 - A. Blueberry Lane – a proposed 67 lot subdivision that must extend sewers in the vicinity of Des Moines Memorial Drive and S. 200th St. The District required that their extension is coordinated with the planned extension of SR509 such that the sewers do not need to be moved at a later date. The developer has objected to

some extra extension work that the District had been requiring, however the District has backed off in the face of a convincing legal argument.

- B. James Prasad – This extension of the sewers has encountered numerous problems and the developer has run out of money. Foreclosure is impending and some other individuals involved may take over the project. The contract with Mr. Prasad may be null and void due to some fraudulent claims on the contract by Mr. Prasad. This project has been going since May of 2005.
 - C. Zenith South Area – A developer is considering the extension of sewers to provide gravity service to that entire area with the exception of 3 properties that sit too low.
3. Ongoing District Projects:
- A. Comprehensive Sewer Plan Update – work continues to get that document finalized.
 - B. GIS Development – The GIS is up and running providing staff with mobile sewer information including white cards, as-builts, and other information. This is just the beginning and more information continues to be added to the system.
 - C. (Newman) – North Hill Sewer Extension – Plans have been reviewed by staff and revisions need to be made. This project should be ready to go out to bid soon.
 - D. Salt Air Hills Sewer Replacement Project – Highline Water District has requested that we delay going out to bid until the fall of 2008 in order to facilitate the coordination of our project with theirs.
 - E. 16th Ave. Sewer Replacement – All the pipe is in the ground and is being used with the exception of a planned overflow that remains to be constructed. Punchlist items will be completed at the end of the project.
 - F. Zenith Pump Station Slope Stabilization – This is a private project that we are contributing towards. Kathy McKnight got her permits last Tuesday, however her contractor has told her that he is busy and will not start until the end of October (a bad time of year to start). The work is expected to take about 3 weeks to complete.
 - G. Office improvements – District crews have begun painting the dryvit surfaces. They have completed painting the outside light poles and bollards. They also did some major limb removal work last Saturday.
 - H. Saltwater State Park Pump Station Generator – I am attempting to negotiate a “use fee” with the officials at the Washington State Parks. They wanted \$1,244/month use fee to allow the use of about 50 square feet of space. I have

offered to not charge them a high strength surcharge for the trailer dump facility they have. I have not heard back from them. The District has already paid a non-refundable \$2,652.25 processing fee to State Parks for them to consider this matter.

Miscellaneous Items:

- A. I applied for some unclaimed property that the Dept. of Revenue has had since about 1982. I don't know what it is but it is worth over \$100. I think the District name change may have caused this problem.
- B. John Corr – a citizen and customer wants to form a citizen committee to get (force) the District to provide tertiary treatment. He thinks we pollute too much. I think we will be hearing more from this individual who represents the Unitarian Church.
- C. Majestic Inn – I have called them twice and emailed them twice concerning their property as a potential Commissioners Retreat location. They have not responded to my repeated attempts. Please advise me as to whether or not you want me to continue to pursue this property.

OFFICE MANAGER REPORT:

Ms. Ford reported that she plans on responding to the exit items listed in the SAO Exit Conference. She will respond to the State Auditor's Office in writing regarding 2 of the 3 exit items listed.

She also inquired into if she should present the research and information she collected on loan Software. It was requested that she present the information at the October 8th I & I Workshop.

TREATMENT PLANT SUPERVISOR'S REPORT:

Mr. Griffith reported that the plant crew continues to paint the office. Weather permitting it should be done next week. The tree trimming was done with the help of one of the sewer crew. Three employees are currently attending the PNCWA conference in Vancouver.

COLLECTION SYSTEM SUPERVISOR REPORT:

Mr. Crahan informed the Commissioners of a sewage backup at the Seaview Apartments. He also updated the Commissioners on the progress made in resolving TV truck software issues.

ENGINEER'S REPORT:

Mr. Grodt reported on the Outfall Construction. There have been some setbacks in construction over the last 2 weeks. It was found that one pipe joint was over stressed due to improper laying of the pipe. This required removing the pipe and relaying to proper grade. They also damaged

the existing outfall. The barge was too far south and when the spud was set it hit the pipe producing a hole in the pipe approximately 2 feet by 1.5 feet. The break will be repaired once the new outfall is put into operation. Dept. of Ecology has been notified. Because of the vibrations created by construction, the surveyors set 11 points on the bluff to monitor any changes in elevation. To date no significant changes have been detected.

ATTORNEY'S REPORT:

Mr. Snure reported on the following:

Collections:

1. There are 7 customers in bankruptcy.
2. There are 5 customers pending foreclosure.
3. There are 8 customers pending trustee sales.

Port of Seattle Condemnation of two trailer parks:

Initial pleadings attempted to condemn sewer district easements, including easements for transmission mains. He has negotiated a resolution where the easements will not be condemned and the District is not a party bound by order of public use and necessity.

COMMISSIONERS COMMENTS:

Commissioner Hendrickson said that he would like the Manager to keep him informed of any matters that he may be contacted about so he can respond.

The next meeting will be held on September 27, 2007, at the District office at 9:30 a.m. and there will be a Commissioners Workshop on October 8, 2007, at the District office at 9:30 a.m.

The meeting adjourned at 10:52 a.m.

KEN J. KASE

ATTEST:

GEORGE LANDON - SECRETARY