

WEST SOUND UTILITY DISTRICT  
Minutes of Meeting of the Board of Commissioners  
Held in Office Building  
2924 SE Lund Avenue, Port Orchard, WA 98366  
Monday, August 4, 2014 3:00 p.m.

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Chairperson: Jim Hart  
Vice Chairperson: Jerry Lundberg  
Commissioner: Susan Way

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Attending: Michael Wilson, General Manager  
Brent Winters, Operations Manager  
Michael Whitehead, IT Manager  
Randy Screws, SKWRF Plant Manager  
Tracy Fantz, Assistant Finance Manager  
Ken Bagwell, District Attorney

The meeting was called to order by Commissioner Hart at 3:10 p.m.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

CONSENT AGENDA

1. Approval of Board Meeting Minutes of July 14, 2014
2. Approval of Vouchers WSUD #23216 through #23282 in the amount of \$116,163.12
3. Approval of Vouchers SKWRF #12600 through #12621 in the amount of \$60,997.15

Commissioner Way moved to approve items in the Consent Agenda. The motion was seconded by Commissioner Lundberg; motion approved 3-0.

BOARD DISCUSSION/ACTION

Resolution 512-14, Professional Service Agreement with HDR Engineering

Commissioner Way moved to approve Resolution 512-14. The motion was seconded by Commissioner Lundberg; motion approved 3-0.

First Reading Resolution 513-14, Interlocal Cooperative Agreement with Kitsap County

General Manager Wilson reviewed the Interlocal Cooperative Agreement with the Board. The Agreement outlines how the District would receive approval to utilize fifty-seven additional connections to the Beach Drive line.

Discussion: 2014 Mid-year Budget Status Report

General Manager Wilson provided the Board with a wide overview of all the financial activities of West Sound Utility District operations and the Joint Wastewater Treatment Plant (SKWRF) through June 30, 2014. Tables and charts were also presented providing a detailed comparison

of actual revenues and expenditures to anticipated amounts. The District ended the second quarter in strong fiscal condition with more than sufficient cash flow to meet the expenditure requirements of all funds.

Discussion: 2015 Budget Preparation Schedule

General Manager Wilson provided the Board with an outline detailing the anticipated steps for the 2015 budget preparation through budget adoption process.

Discussion: Utility Tax Authority of Cities

General Manager Wilson updated the Board regarding a new court decision affirming cities have the legal authority to impose utility taxes on the revenues of a public utility district's provision of water service to customers with the city's corporate boundaries.

Discussion: Wholesale Water – City of Port Orchard

The City of Port Orchard has expressed a tentative interest in purchasing wholesale water from the District. To determine the appropriate charge for the water sales the District would need to know the duration of sales, the quantity of water, and the time of year. The District would be mindful of our obligation to serve WSUD customers first and foremost.

ATTORNEY'S REPORT

District Attorney Bagwell reported that the terms of a recent settlement agreement with a District utility customer were not met by the deadline. The District will begin an enforcement process.

PLANT OPERATIONS REPORT

Plant Manager Screws reported biosolids disposal is now being processed by Tenelco and it is working well. The reclaimed water being distributed to the Veteran's Home has been temporarily terminated due to a leak; repairs are scheduled for 8/5/14. The Department of Ecology inspected the facility on 7/29/14; - no deficiencies were identified. Various projects are continuing: DNR Lease for Outfall, Retaining Wall, Screen Modifications, and the Upper Driveway.

OPERATION MANAGER'S REPORT

Water/Sewer Operations Manager Winters updated the Board on the status of Villa Carmel, Sinclair and Aidan Lift Station Rehabilitations and the Fircrest Standpipe Rehabilitation. He reported that we are close to putting Nathan's Glen sewer main and service work out to bid. New water service was recently installed on Beach Drive and Lidstrom. Regular operations and maintenance and projects are impacted by summer vacation schedules.

IT MANAGER'S REPORT

IT Manager Michael Whitehead reported that updates on the District website continue. He is also adding memory and drive space for an aging server, starting the build out of the CS web portal for service requests and antenna work continues. The Port of Bremerton has several projects underway.

### ASSISTANT FINANCE MANAGER'S REPORT

Assistant Finance Manager Tracy Fantz reported PEBB Regence and Harrison Hospital have extended their contract through mid-August and negotiations continue to renew the contract. The Kitsap County electronic cash transmittal testing process is going well, - the new system is scheduled to go live 9/3/14.

### GENERAL MANAGER'S REPORT

- The Developer Extension Contract manual is being reviewed and updated.
- Anticipating reviewing Capital Projects with the Board at the 9/2/14 meeting.
- The DOE/EPA Post Project Assessment Report was submitted by the 7/14/14 due date – we have received no response or feedback.
- General Manager Wilson met with Kitsap County Commissioner Charlotte Garrido to discuss reclaimed water.
- We have had no response from Kitsap Transit regarding our offer to supply reclaimed water despite several attempts to schedule a meeting. We will be able to report to the Department of Ecology that we have done everything possible to comply with the terms of the grant.
- Effective 8/1/14 the District has insured the SKWRF facility.

### COMMISSIONER REPORTS

- Commissioner Lundberg is requesting an Executive Session at the 9/2/14 meeting to discuss employee performance.
- Commissioner Way attended a Section II meeting.
- Commissioner Hart attended a Section II meeting and an Association meeting.

### EXECUTIVE SESSION

The Board of Commissioners went into Executive Session at 5:15 p.m. with General Manager Wilson and Attorney Bagwell to discuss personnel issues.

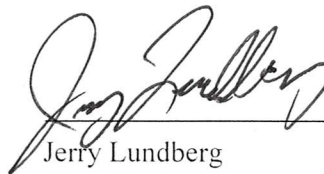
The Board returned to regular session at 5:25 p.m.

### ADJOURN

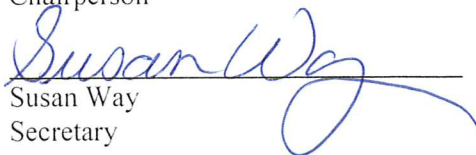
Commissioner Lundberg moved and Commissioner Way seconded the motion to adjourn the meeting at 5:25 p.m., motion approved 3-0.



James J Hart  
Chairperson



Jerry Lundberg  
Vice-Chair



Susan Way  
Secretary

**PAYROLL AND ACCOUNTS PAYABLE VOUCHER INFORMATION  
AUGUST 4, 2014 WSUD BOARD MEETING**

<b>PAYROLL</b>	<b>91925</b>	<b>SEWER OPERATIONS</b>	<b>0.00</b>
	<b>91926</b>	<b>WATER OPERATIONS</b>	<b>0.00</b>
	<b>91927</b>	<b>INFORMATION TECHNOLOGY</b>	<b>0.00</b>
	<b>91928</b>	<b>SKWRF</b>	<b>0.00</b>
			<b>0.00</b>
	<b>GRAND TOTAL PAYROLL ALL FUNDS:</b>		<b>0.00</b>

**ACCOUNTS PAYABLE: DISTRICT**

District vouchers #23216 through #23246 issued 07/28/14 in the amount of \$37,461.80; and vouchers #23247 through #23282 issued 8/11/14 in the amount of \$78,701.32:

Fund 91925 - Wastewater Operating Fund	44,833.02
Fund 91926 - Water Operating Fund	66,595.83
Fund 91927 - Information Technology Fund	729.26
Fund 91930 - Water Capital Improvement Fund	4,005.01
Fund 91933 - Sewer Capital Improvement Fund	0.00
<b>TOTAL DISTRICT ACCOUNTS PAYABLE</b>	<b>116,163.12</b>

**SKWRF**

SKWRF vouchers #12600 through #12621 issued 07/28/14 in the amount of \$25,657.16; and vouchers #12622 through #12642 issued 8/11/14 in the amount of \$35,339.99:

Fund 91928 - SKWRF Operating Fund	53,024.68
Fund 91931 - SKWRF Capital Improvement Fund	7,972.47
<b>TOTAL SKWRF ACCOUNTS PAYABLE</b>	<b>60,997.15</b>

<b>GRAND TOTAL ACCOUNTS PAYABLE ALL FUNDS</b>	<b>177,160.27</b>
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