

Kitsap Sewer District #7
May 10, 2018 Regular Meeting Minutes
Location: 2017 Belfair Ave. NE, Bainbridge Island, WA

Call to Order: The meeting was called to order at 7:00 pm by President Chris Dew. Also present were: Commissioner Roger Tielman; District Manager Roan Blacker, and Friends of Fort Ward Chair Douglas Crist. Commissioner Sarah Lee participated via conference call.

Agenda Acceptance: Commissioner Tielman moved to adopt the agenda with the amendment to place New Business immediately after Friends of Fort Ward Update. Commissioner Dew seconded the motion. Motion passed unanimously (3 - 0).

Public Comment: no comment

Friends of For Ward Update: Douglas Crist, Chair of Friends of Fort Ward (“FFW”), gave an update to the bakery renovation project. He announced that the provider of hardwood flooring gave an excellent bid that included donating much of the wood. Douglas also explained three key facts related to the project’s funding and FFW’s role with the impending renovation:

- Project funds raised exceed estimated expenditures - FFW currently has \$134,000 of cash raised and available for the project. Together with the awarded net Washington State Historical Society (“WSHS”) grant funds (\$89,240) and \$4,000 in other grants awarded to the project, approximately \$227,000 is available to be expended over the next several months. The total remaining budget for the project is estimated to be \$290,654, of which \$44,431 represents in-kind labor provided by the Parks District. Netting out the project contingency of \$19,223, provides total anticipated project expenditures of \$226,322 (less than Project funds raised).
- Educational Services - FFW remains committed to provide the historical educational component of the bakery renovation project, as described and required under the WSHS grant obligations.
- Project Expenditure Tracking and Records – FFW agrees to team with the Sewer District to provide the necessary financial records and qualifying reimbursement requests as required under the WSHS grant.

New Business: Two resolutions relating to the bakery building renovation were provided for discussion and review.

- Resolution 2018-5: WSHS Grant – Roan Blacker presented the resolution authorizing the execution of the Washington State Historical Society grant contract for the \$92,000 award. The grant contract had been discussed and reviewed in detail at the previous April board meeting, and the presented resolution provided the Board President to execute the contract on behalf of the District. Because the grant’s budget and source of qualifying “match” expenditures are still being reviewed, the resolution was moved by Commissioner Dew with the amendment to adopt the grant contract in substantially the same form as presented, and authorize the District’s General Manager to make any necessary changes prior to execution. Commissioner Tielman seconded the motion. Motion passed unanimously (3 - 0).
- Resolution 2018-6: Construction and Renovation Agreement – Roan Blacker presented the resolution authorizing the execution of the construction and renovation agreement among FFW and Parks District. Because the final version had not yet been distributed and cleared among the parties, the resolution was moved by Commissioner Dew with the amendment to adopt the agreement in substantially the same form as presented, and authorize the District’s General Manager and counsel to make any necessary changes prior to execution. Commissioner Tielman seconded the motion. Motion passed unanimously (3 - 0).

Approval of Minutes: April 12, 2018 regular board meeting – Commissioner Tielman moved to approve the minutes of the meeting, and Commissioner Dew seconded the motion. Motion passed unanimously (3 – 0).

Approval of Vouchers: Commissioner Dew moved to approve vouchers 18-05-01 through 18-05-14. Commissioner Tielman seconded the motion. Motion passed unanimously (3 – 0).

Financial Report: Roan Blacker provided the following handouts that were reviewed by the board: a summary of monthly cash and investment balances, customer account report, monthly financial comparison report, and a year-to-date versus budget analysis.

Treatment Plant Report: Treatment plant influent flow, influent testing, and effluent testing graphs were reviewed. The plant continues to operate well within its permit requirements.

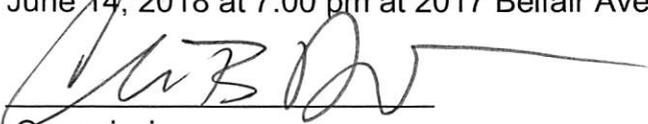
Manager’s Report: Roan Blacker stated that the Sewer District was selected as one of fifty-seven entities awarded the 2017-2018 Washington State Archives Local Records Grant Program. The amount awarded is \$4,300 under the Organizing the File Room Grant, and the necessary letter requesting the grant contract for signature has been sent to the proper state contact.

Roan also stated that he recently visited with representatives from Evergreen Rural Water of WA ("ERW") and BHC Consultants. ERW is funded through USDA and technically assists small water and sewer districts throughout the state. BHC is an engineering firm that is familiar with local small sewer districts (especially through their direct involvement in managing Vashon Sewer District). Each of these organizations may be helpful in updating the mapping of our sewer system.

Old Business:

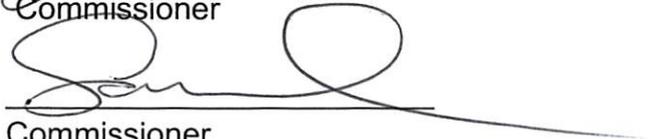
- ILA with City – There has been no progress since the December 15, 2017 meeting. The city has yet to forward proposed comments to the District's representative counsel, John Milne of Inslee Best.
- City Account - Roan Blacker reviewed the recent account payment history and charges (monthly service fees and new connections) with the city. The city has requested (i) a waiver of late penalties, (ii) the ability to pay sewer connections at outdated rates (due to the timing of when it received such funds from the property owners), and (iii) the ability to pay future connections fees in advance of actual sewer connections (basing the fee on the amount in effect at such time of payment to the District). The commissioners declined to approve any of these requests, while being amendable to (iii) being discussed for inclusion in the new inter-local agreement.
- District Excess Property – Based on research provided by MRSC, Roan Blacker explained that the sewer district could either sell the property via auction, a direct negotiated sale, or through a third party (real estate broker). The district must determine that the property is not needed for district purposes, and is required to publish a notice of intention to sell once a week for two consecutive weeks in a newspaper of general circulation in the district. Commissioner Lee stated that there may be additional restrictions on a sewer district's sale of property, and advised contacting the Risk Pool for additional clarity. Roan Blacker will follow up.

Meeting adjourned at 8:30 pm. The next regular meeting was scheduled for Thursday, June 14, 2018 at 7:00 pm at 2017 Belfair Ave. NE, Bainbridge Island, WA.



Commissioner

Commissioner



Commissioner

Date: 6/14/2018