

KITSAP COUNTY SEWER DISTRICT NO. 7
Minutes of Meeting
November 12, 2009

The meeting was called to order at 7:35 p.m. by Secretary Gayle Ashton. Those in attendance were Commissioners Ashton and Art Bartel; Engineer Mike Yuhl; Manager Colleen Yuhl; and member of the public Don Ashton. Commissioner Sarah Lee was unable to attend because of illness.

The minutes of the October 8, 2009 meeting were approved.

Vouchers 09-11-1 through 09-11-11 were approved for payment.

Discussion of the Financial Report was deferred to discuss under New Business under the item "2010 Proposed Budget".

Old Business

1. Treatment Plant Computer – Colleen Yuhl reported that she had tried to contact Bob Thurston before the meeting but was unable to reach him. He had indicated after the last meeting that the company that had programmed the computer originally was able to install a new hard drive and re-install the programs. The total cost should not exceed \$5000. The District has not yet received a bill for these services.
2. There was discussion about the proposed flyer to residents that will be included in the November billing notice. There were only a couple of minor edits proposed.

New Business

1. Colleen Yuhl reported on the meeting of the Water & Sewer Risk Management Pool meeting. The Pool has been approached by Enduris (an insurance pool that includes many kinds of special purpose districts) to consider merging with them. The WSRMP Executive Committee sent a very detailed letter to Enduris asking for answers to a number of questions about their management and financial condition. WSRMP will leave the option open to consider this further if their concerns are answered. Nothing will happen unless approved by the membership.
The Pool is currently searching for a new Executive Director, however they indicated that there will be no rush to hire someone and then will look for the right person. Currently, the Pool's Risk Manager, Leah Vorgeson, is the acting Executive Director with help from the executive committee and the District's attorney.
There was some discussion at the meeting regarding Attorney General Opinion (AGO) 2009-5 that deals with a district that had replaced some side sewers because it was beneficial in reducing their I & I. The Pool suggests that if Districts are in that position, they should develop a policy before making any repairs on an individual's property. After some discussion, the Commissioners determined that there was no need for a policy at this time. Colleen Yuhl also reported that the pool is working with Government University (GOVU) to offer courses to pool members' staff and

commissioners. You can get more information by going on the website www.wsrmp.com. You can get the password by calling Colleen.

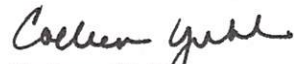
2. 2010 Budget – Colleen Yuhl passed out the Proposed Budget for 2010. She first referred to the October 2009 report and the expenditure column. She pointed out that there has been considerably more dollars spent on repair and replacement of equipment this year than what was budgeted. This is probably a result of the fact that the original plant is almost 15 years old and some equipment does wear out. The amount proposed for 2010 is 80% more than that budgeted for 2009. This also means that the payoff of ULID 2-F, 4 & 5 was deferred to March 1, 2010 (which is the actual due date). In discussion of the budget for 2010, she suggested that the amounts budgeted for management, engineering and legal all be reduced. There was some discussion as to whether there is a need to increase the monthly service fees to make sure that there are funds available to cover the increased costs of electricity and maintenance of the plant and equipment. It was pointed out that original income projections for 2009 included some extra connections from the Lynwood Center area which would generate more income. Because of the economy, currently fee income is stagnant so income projections for 2010 are actually a little below 2009.

The Commissioners will approve a budget in December for 2010, as well as continue the discussion on the fees. In the meantime, a letter should be sent to the City of Bainbridge Island advising them that there may be a fee increase sometime in the first part of next year. Colleen Yuhl will compose a letter and send it to Sarah Lee for her signature.

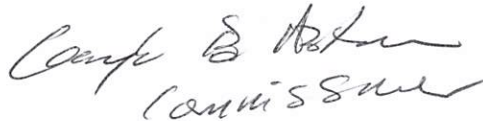
3. Future Planning – Mike Yuhl discussed what information needed to be further recorded in anticipation of the time when he and Colleen will retire from working for the District. They will begin going through the old records that are kept in their office and culling out duplication and unneeded records. Mike Yuhl has maps of all the sewers in the District; however he indicated that there is a need to go through and record the location of all the manholes in a video format, as some manholes are hard to find even though they are shown on the maps. He would like to do that sometime in the next year or so when the District has funds available.

The meeting was adjourned at 9:05 p.m.

Respectfully submitted,



Colleen Yuhl
District Manager



Commissioner