

Kitsap Sewer District #7
December 13, 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. Commissioner Roger Tielman and District Manager Roan Blacker were present. Also present were Bob and Cheri Thurston of Water and Wastewater Management Services, LLC. Commissioner Sarah Lee was excused.

Agenda Acceptance: Commissioner Dew moved to accept the agenda as presented. Commissioner Tielman seconded. The agenda was passed unanimously (2 – 0).

Public Comment: no comment.

Friends of Fort Ward / Bakery Renovation Update: The December 3rd email from Tina Gilbert was reviewed that addressed the masonry work, Parks District's progress and recent contributions received. Photos of the renovation progress and an updated budget of expenditures were also reviewed.

Approval of Minutes: November 8, 2018 regular board meeting – Commissioner Dew moved to approve the proposed minutes of the meeting. Commissioner Tielman seconded the motion. Motion passed unanimously (2 – 0).

Approval of Vouchers: Commissioner Tielman moved to approve the \$29,067.45 of vouchers 2018-12-01 through 2018-12-13. Commissioner Dew seconded the motion. Motion passed unanimously (2 – 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. Bob Thurston was present and able to answer question from the commissioners.

Manager's Report: City of Bainbridge Island Account - Roan Blacker provided an analysis of the new connections made by the city since January 2017 and the timing such connections were paid. The City still owes late fees of several thousand dollars due to the City paying connection fees late, in some cases over a 1 year late. The City's outstanding balance on new connection charges, as well as the outstanding balance on monthly service fees, will need to be settled before a new Interlocal agreement can be executed.

Old Business:

Sale of Surplus Property – Roan Blacker presented the information provided by Kay Brossard (lawyer at Inslee Best) regarding the sale of the District’s property on the southeast corner of Park View Dr. and Parade Grounds Ave. (parcel #4147-003-001-00009) (the “Lot”). Ms. Brossard had drafted a resolution for the commissioners to consider.

Resolution 2018-10 – to declare the Lot surplus property, to state the intention of KCSD7 to sell the Lot, and to authorize the District Manager to determine a market price for and proceed with the sale of the Lot pursuant to Washington law. Commissioner Dew moved to pass the motion and Commissioner Tielman seconded. The motion passed unanimously (2 – 0).

City of Bainbridge Island Check for Prepaid Connections – The District received a \$370,441 check from the City for the prepayment of several new connections. The City’s letter accompanying the check stated that, “The City is sending KCSD7 this check in full payment for the fees and understand that by accepting the check, you agree that the \$370,441 constitutes full payment of what is owed by the City to KCS&7.” The number of requested prepaid connections appeared to be 41.05 ERU’s, but the information provided by the City was unclear to this point. Since the current new connection fee is \$10,330 per ERU, the payment in full would be approximately \$424,000 (41.05 ERUs x \$10,330).

Because of the unclear number of ERU’s prepaid and the difference between the above calculated amount and check, the District could not “agree that the check constitutes full payment”. Commissioner Tielman moved that the District return the City’s check accompanied by a letter of explanation. Commissioner Dew seconded, and the motion passed unanimously (2 – 0).

Commissioner Tielman also moved that the District waive the requirement under the current interlocal agreement with the City to not require the City to make an upfront payment to enter into mediation. This was proposed to not impede the City to work with the District in resolving the City’s outstanding balances. Commissioner Dew seconded, and the motion passed unanimously (2 – 0).

New Business:

Roan Blacker presented the District’s 2019 operating budget and the 2019-2024 capital plan. Bob Thurston was able to address several questions related to the capital plan and the treatment plant’s section of the operating budget.

Commissioner Dew requested that a separate line item be created in the capital plan to address the collection system's capital needs. Based on this last request,

Commissioner Dew moved to accept the 2019 operating budget and the 2019-2014 capital plan. Commissioner Tielman seconded, and the motion passed unanimously (2 - 0)

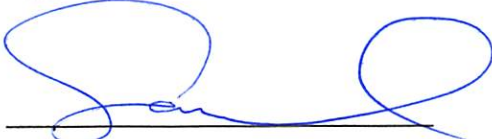
Meeting adjourned at 8:24 pm. The next regular meeting was scheduled for Thursday, January 10, 2019 at 7:00 pm at 2017 Belfair Ave. NE, Bainbridge Island, WA.



Commissioner



Commissioner



Commissioner

Date: 1/10/2019