

MINUTES OF A REGULAR MEETING OF  
THE BOARD OF COMMISSIONERS OF  
RONALD WASTEWATER DISTRICT  
AUGUST 23, 2011

A regular meeting of the Board of Commissioners of Ronald Wastewater District was convened at the District office at 6:00 p.m. on Tuesday, August 23, 2011 by Board President Wadekamper. In attendance were Commissioners Brian Carroll, Arnold Lind and Arthur Wadekamper. Also present were General Manager Michael Derrick, Maintenance Manager George Dicks, Accounting Manager Jen Chen, District Counsel Joseph P. Bennett and customer Robert L. Ransom.

#### ADMINISTRATIVE

##### Additions/Adjustments to Agenda?

Commissioner Carroll requested that Item 8 be dropped. He questioned why there was an agenda item regarding who will make the District's presentation on I&I to the September WASWD conference when it was previously decided that he would make the presentation. He added that he has spent significant time working on the presentation. He asked Mr. Derrick to read the relevant portion of the minutes of February 22, 2011. He stated that the agenda item was offensive and conveyed a lack of trust. Upon motion by Commissioner Carroll, and second by Commissioner Lind, the Board voted 2-0 to remove the Item from the agenda with Commissioner Wadekamper abstaining.

Commissioner Carroll requested an Executive Session for 10 minutes to discuss potential litigation pursuant to RCW 42.30.110(1)(i). Upon motion by Commissioner Carroll, and second by Commissioner Lind, the Board voted to go into Executive Session. The Board went into Executive Session at 6:05 p.m. At 6:13 p.m., the Board came out of Executive Session and went back into open session.

##### Handouts

- A. West Side Conveyance Analysis Report for Discussion at 9/6/11 meeting.
- B. Fircrest Campus Sewer Assessment Report.

Minutes of the Board Meeting of August 9, 2011, Final. The Board reviewed minutes provided by Mr. Derrick for the regular meeting of August 9, 2011. Upon motion by Commissioner Carroll, and second by Commissioner Lind, the Board

unanimously approved the minutes of the August 9 regular meeting. The Commissioners then signed the approved minutes.

1. Vouchers. Mr. Derrick presented and the Board discussed the Vouchers. He pointed out the expenses related to replacement of a water heater. He also pointed out refunds to union members for the prorated union dues after the union was decertified. The Board then considered Vouchers in the aggregate amount of \$866,655.99 broken down as follows: (a) AP Vouchers #0110562 through #0110598 in the amount of \$822,628.31; (b) AP Voucher #0011026 (payroll) in the amount of \$166.24; (c) ACH Payroll of \$27,453.62; (d) Payroll taxes of \$9,630.19; and (e) Excise tax of \$6,777.63. Upon a motion by Commissioner Lind, and second by Commissioner Carroll, the Board approved all of the Vouchers presented by a vote of 3-0.

2. Journal Adjustments. Mr. Derrick presented the proposed Journal Adjustments of -(\$414.60) for June 2011. Upon motion by Commissioner Carroll, and second by Commissioner Lind, the Board voted 3-0 to approve the Journal Adjustments in the amount of -(\$414.60). The Commissioners then initialed the adjustments.

3. Financial Report. Mr. Derrick distributed a balance sheet summary as of June 30, 2011, and revenue and expense report summaries. He also distributed a copy of the King County Investment Pool report.

4. Bankruptcy; Accounts at Attorney; Collections Report. Ms. Chen presented a summary of the customer accounts that are currently in bankruptcy. She also submitted a past due report summary. The Board asked questions. Commissioner Lind requested that any members of the public attending not retain reports. The Commissioners discussed their concerns for customer privacy and requested that in the future staff and Mr. Bennett present summary reports for accounts past due and in collection by account number only. Commissioner Carroll also requested a monthly report of the five largest past due amounts in bankruptcy.

5. Legal & Engineering Monthly Expenses Recap. Mr. Derrick presented the summary of the District's legal and engineering monthly expenses. In response to a question from Commissioner Carroll, Mr. Bennett explained the increase in monthly legal billings for most of 2011. Factors include additional work related to accounts in bankruptcy, House Bill 1407 and the Cedar River litigation against King County, in which the District was a named party.

6. Account Service Fee: Fee Increase. Mr. Derrick summarized his work on this since the last Board meeting. He recommended the Commissioners amend the District's rate resolution, Resolution 10-26, Section 6.3 Account Service Fee,

subsection 6.3.4. The new subsection 6.3.4 would read: "A fee of \$25.00 shall be added to the account for each Escrow Report." Upon motion by Commissioner Carroll, and second by Commissioner Lind, the Board voted 3-0 to approve amendment to the rate resolution.

7. WASWD Bylaws Discussion. Mr. Derrick presented a survey from the WASWD Bylaws Task Force. The Task Force asked that each member of a district complete the survey with input from the Manager and Commissioners. The Commissioners discussed the WASWD Task Force's three propositions: (1) WASWD should be an Association of districts with voting rights being vested with each commissioner which has been the practice since the formation of WASWD and is the current practice; (2) The business affairs of the Association should be managed and all powers should be exercised by, or under the direction of, the Board of Directors; (3) The Board of Directors may, at its discretion, delegate limited decision making authority to sections or committees, but such delegation does not relieve the Board of final responsibility. Commissioner Carroll stated that proposition #1 runs counter to past WASWD practice of allowing each Commissioner attending to vote at meetings. Commissioner Wadekamper disagreed as the additional language in the survey suggests that the proposition will not necessarily dictate whether individual Commissioners would still retain the right to vote. Commissioner Lind recommended that the District respond "undecided" to proposition #1. Commissioner Carroll requested that Mr. Derrick add an explanatory statement to the survey that some Commissioners wish to retain their right to vote. There was much discussion about proposition #2 and the proposed change from "shall" to "should." Mr. Ransom offered that the proposition does not appear to allow the membership to override decisions of the Board. Given the lack of clarity for the proposed change, the Commissioners directed Mr. Derrick to respond "undecided" to proposition #2. The Commissioners directed Mr. Derrick to respond "strongly and agree" to proposition #3.

#### LEGAL REPORT

Mr. Bennett provided the monthly collection report on past due accounts. He stated that since his last report, gross collections were \$10,894.17 and the net to the District was \$7,214.17. Since his last report, eight accounts were fully paid and partial payment was received on three other accounts.

#### PERSONNEL

Mr. Derrick reported that staff is very energized and enthusiastic about the August 27 open house. He believes that staff communication, morale and performance are high. Ms. Chen requested that at least one Commissioner be onsite throughout the 4 hour open house. She and Mr. Derrick stated that Commissioner attendance is important to staff.

#### MAINTENANCE REPORT

Mr. Dicks reported that bid contracts for the roof repairs went out last week.

#### COMMISSIONERS' COMMENTS AND REPORTS

Commissioner Wadekamper reported on the Section 4 recent selection of Sen. Marilyn Chase for a special legislative award. He summarized the earlier 3:00 p.m. joint meeting at Shoreline Water District.

#### GENERAL MANAGER'S REPORT

Mr. Derrick also reported on the 3:00 pm. joint meeting with Shoreline Water District. The Commissioners of both Districts were present and directed the General Managers of each district to meet with City staff about the potential merger of the two Districts for the benefit of ratepayers.

#### PUBLIC COMMENTS

Mr. Ransom requested copies of the signed minutes. He asked about the cost analysis west side conveyance system. Mr. Derrick explained that the conveyance system is made up of lift stations and interceptors. Commissioner Wadekamper explained that the analysis is for discussion purposes. Mr. Ransom also asked about the Fircrest campus sewer report. Mr. Derrick explained the background.

#### TOPICS FOR FUTURE DISCUSSION/CITY REPORT

None.

#### CONCLUSION

There being no further business, President Wadekamper concluded the meeting at 7:35 p.m.

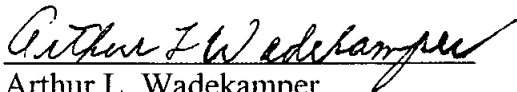
APPROVED in open meeting: This 6<sup>th</sup> day of September, 2011.



Arnold H. Lind,  
Secretary/Commissioner



Brian T. Carroll,  
Vice-President/Commissioner



Arthur L. Wadekamper,  
President/Commissioner