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MINUTES OF A REGULAR MEETING OF
THE BOARD OF COMMISSIONERS OF
RONALD WASTEWATER DISTRICT
APRIL 25, 2012

A regular meeting of the Board of Commissioners of Ronald Wastewater District was convened at the District office at 5:30 p.m. on Wednesday, April 25, 2012 by Board President Carroll. In attendance were Commissioners Brian Carroll, Robert Ransom and Arthur Wadekamper. Also present were Michael Derrick, District General Manager, Jen Chen, District Accounting Manager; Joseph Bennett, District counsel; and David Hoagland of Hellam Varon. Members of the public present were Chris Eggen of the City of Shoreline.

ADMINISTRATIVE

Additions/Adjustments to Agenda?

Mr. Derrick requested moving Item #5 (Mr. Hoagland) to the top of the agenda.

Handouts

None.

Minutes of April 9, 2012 Regular Meetings. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to approve the minutes of April 9. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to approve the amended minutes of April 9. The Commissioners then signed the approved minutes.

1. 2011 FYE Review with David Hoagland. Mr. Hoagland explained his firm's review work and how it differs from an audit. He discussed the District's net position. He stated that the District is in a strong financial position with assets being significantly greater than liabilities. Commissioner Carroll asked whether the report was sufficiently clear that the only rates that increased were the pass through sewer treatment charges from King County. He requested that the graphs in next year's review specify that. The Commissioners asked several questions and had an extended discussion of the report.

EXECUTIVE SESSION

Upon motion by Commissioner Ransom, and second by Commissioner Wadekamper, the Board voted 3-0 to go into Executive Session for 5 minutes to review the performance of public employees pursuant to RCW 42.30.110 (1) (g). Mr. Derrick, Ms. Chen and Mr. Eggen left the meeting. The Commissioners went

into Executive Session at 6:15 p.m. At 6:20 p.m. the Board came out of Executive Session and went back into open session. The three who left for Executive Session then returned to the meeting.

Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to request that Hellam Varon provide a scope and cost for an internal control review and report and work with the District's management team and the State Auditor's Office.

The Commissioners thanked Mr. Hoagland for his presentation and review work. He left the meeting at 6:25 p.m.

2. Vouchers. Mr. Derrick presented and the Board discussed Vouchers in the aggregate amount of \$867,081.57 broken down as follows: (a) AP Vouchers #0120255 through #0120308 in the amount of \$823,602.81; (b) ACH Payroll Vouchers in the amount of \$26,444.56; (c) Payroll taxes of \$9,040.58; and (d) Excise Taxes of \$7,993.62. Upon a motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board approved all of the Vouchers presented by a vote of 3-0.

3. Journal Adjustments. Mr. Derrick presented the proposed Journal Adjustments of \$1,510.48 for February of 2012. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to approve the Journal Adjustments in the amount of \$1,510.48. The Commissioners then initialed the adjustments.

4. Financial Report. Mr. Derrick distributed a revenue and expense summary for 2/29/2012. Mr. Derrick also presented a balance sheet summary as of February 29, 2012, and revenue and expense report summaries. He also distributed a copy of the King County Investment Pool report for February 2012.

Mr. Eggen left the meeting at 6:32 p.m.

5. Bankruptcy and Collections Report. Mr. Bennett reported that since his last report, gross collections were \$6,678.76 and the net to the District was \$4,988.07. Since his last report, four accounts were fully paid and partial payment was received on eight other accounts.

6. Parcel Transfer to RWD from SPU. Mr. Derrick shared an e-mail correspondence from SPU regarding Tax Parcel 6163901035. SPU originally owned the property and wants to transfer it to the District as part of the District's purchase of the SPU system in 2001.

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7. Community Education: Mass Mailing. Mr. Derrick explained his plans for community education. Ms. Chen discussed ways to inexpensively send mailings to all District customers. She will present a proposal at a future meeting.

8. Bainbridge Island Water Utility. Mr. Derrick presented as an informational item, a power point presentation that was prepared by consultants for the City of Bainbridge Island. The consultants analyzed whether the City should keep its water utility or transfer or sell the utility to Kitsap Public Utility District or another provider. Mr. Derrick will do further background research.

9. May 7 Meeting Time Change to 6:30 p.m. Commissioner Carroll requested that the Monday, May 7 Commissioners' meeting be re-scheduled to 6:30 p.m. The other Commissioners agreed. The June 5 meeting will be at the WEF Conference in St. Louis and will include voucher verification and other necessary business.

10. Decrease Credit Card Convenience Fee. Ms. Chen presented her memorandum of April 20 recommending a decrease in the credit card convenience fee charged to District customers from \$4.95 to \$3.00. The Commissioners concurred with Ms. Chen's suggested approach.

11. DOXO Paperless Billing Statements. Ms. Chen and Mr. Derrick proposed that the District contract with DOXO to issue paperless e-invoices to customers who choose to do that. For example if 15% of the customers sign up for e-invoicing, the District would save \$570.00 per month compared to the current 100% of customers receiving paper invoices. There is as of yet no exact number of customers who will use the paperless e-invoice. The Commissioners liked this as an option for customers. Mr. Derrick will present a contract with DOXO for approval at a future Board meeting.

Resolution 12-08: Establishing a Greenhouse Gas Emission Reduction Policy. Mr. Derrick stated that it was necessary for qualifying for public works trust fund loans. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to approve the resolution. The Commissioners then signed the resolution.

Resolution 12-09: Amending the District's Statement of its Mission, Values and Goals. Upon motion of Commissioner Wadekamper, and second by Commissioner Carroll, the Board voted 3-0 to approve the resolution in conformance with the motion approved at the April 9 meeting. The Commissioners then signed the resolution with Commissioner Ransom indicating his abstention to part of the amended mission statement by referencing the minutes of the April 9 Board of Commissioners' meeting.

GENERAL MANAGER'S REPORT

Mr. Derrick distributed copies of letter from King County responding to the District's inquiries about possible acquisition of the west side conveyance system. Commissioner Carroll requested that Mr. Derrick forward the letter to King County Council member Ferguson. Mr. Derrick also presented a draft resolution and flow chart relating to the possible expansion of the Board from three to five members. He stated that the Commissioners can review and determine whether and when to put the draft resolution on a future agenda. Commissioner Carroll requested that Mr. Bennett review the draft and that it be put on the agenda for the next meeting.

Commissioner Ransom questioned whether Board expansion would result in over attendance at certain meetings such as MWPAAC. Commissioner Carroll stated that any expansion of the Board would require a re-allocation of Board resources.

COMMISSIONERS' COMMENTS AND REPORTS

Commissioner Ransom reported on the recent MWPAAC meeting. The next MWPAAC meeting will be at Brightwater and will include a tour. He discussed the possibility of installing solar panels on District buildings. There is grant money available for a minimum installation of 300 panels. Commissioner Carroll suggested that the District talk to the architect who previously came up with a cost estimate for installation of solar panels on the roof of the maintenance building. Commissioner Ransom would like to see a presentation at a future meeting.

LEGAL REPORT

None.

MAINTENANCE REPORT

None.

PERSONNEL

None.

GENERAL MANAGER'S REPORT

None.

PUBLIC COMMENT

None.

EXECUTIVE SESSION

Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 for 20 minutes for attorney-client to discuss potential litigation pursuant to RCW 42.30.110 (1) (i). The Board went into Executive

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Session at 7:55 p.m. and then extended for an additional 15 minutes. At 8:30 p.m., the Board came out of Executive Session and went back into open session.

FUTURE TOPICS

The Commissioners directed Mr. Derrick to call a Special Meeting on Tuesday, May 1, 2012 to discuss Shoreline City Council proposed Resolution 634. Meeting time will be determined based on Commissioner availability.

The Commissioners and Mr. Derrick had a general discussion about City run utilities, the Shoreline storm water utility, concerns about coordination of utilities, and the City's bond capacity.

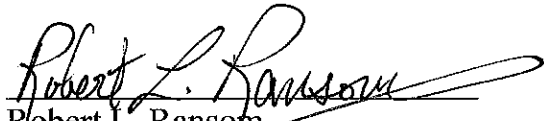
TOPICS FOR FUTURE DISCUSSION


None.

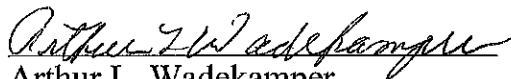
CONCLUSION

There being no further business, President Carroll concluded the meeting at 8:52 p.m.

APPROVED in open meeting this 22 day of May, 2012.


Robert L. Ransom,
Secretary/Commissioner


Brian T. Carroll,
President/Commissioner


Arthur L. Wadekamper,
Vice President/Commissioner