

MINUTES OF A REGULAR MEETING OF  
THE BOARD OF COMMISSIONERS OF  
RONALD WASTEWATER DISTRICT  
MARCH 20, 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 Tuesday, March 20, 2012 by Board President Carroll. In attendance were Commissioners Brian Carroll, Robert Ransom and Arthur Wadekamper. Also present were Michael Derrick, District General Manager, George Dicks, District Maintenance Manager, Jen Chen, District Accounting Manager and Joseph Bennett, District counsel. Members of the public present were John Norris of the City of Shoreline.

ADMINISTRATIVE

Additions/Adjustments to Agenda?

Mr. Derrick wanted to add Item #10, hiring a part-time temporary worker for scanning. The Commissioners concurred with the addition.

Commissioner Ransom stated that the Board packet did not include the draft finalized Board minutes. Mr. Derrick apologized for that and explained that the process of distributing minutes with the Commissioners' corrections back to the Commissioners was new to him and staff. He stated he would include the draft finalized minutes in all future Board packets.

Handouts

- A. March 1, 2012 Letter from Dan Eernisee of the City of Shoreline. Mr. Derrick expressed his interest in hiring CGI to produce similar online videos for the District. The Board directed Mr. Derrick to look into the cost.
- B. Thank You from Customers Regarding Customer Appreciation Lunch on March 16.

Minutes of February 21 and March 6, 2012 Regular Meetings. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to approve the amended minutes of February 21. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to approve the amended minutes of March 6. The Commissioners then signed the approved minutes.

1. Vouchers. Mr. Derrick pointed out that the District currently pays multiple providers for telephone service. He and staff are working to consolidate phone service with Frontier Communications. Mr. Derrick presented and the Board

discussed Vouchers in the aggregate amount of \$899,716.78 broken down as follows: (a) AP Vouchers #0120186 through #0120229 in the amount of \$854,192.31; (b) ACH Payroll Vouchers in the amount of \$27,979.40; (c) Payroll taxes of \$9,766.52; and (d) Excise Taxes of \$7,778.55. 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.

2. Journal Adjustments. Mr. Derrick presented the proposed Journal Adjustments of -\$616.03 for January of 2012. He also presented a recap of the monthly adjustments for 2011. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to approve the Journal Adjustments in the amount of -\$616.03. The Commissioners then initialed the adjustments.

3. Financial Report. Mr. Derrick distributed a revenue and expense summary for 12/31/11 (final). The Commissioners discussed the summary and questioned staff about accounting for depreciation of assets and elections among other issues. Mr. Derrick also presented balance sheet summary as of January 31, 2012, and revenue and expense report summaries. He also distributed a copy of the King County Investment Pool report for January 2012. Commissioner Ransom pointed out that with a reserve of over \$7 million, the District only received \$49,000.00 in interest. Mr. Derrick agreed that the District is receiving historically low interest income.

4. Bankruptcy and Collections Report. Mr. Bennett reported that since his last report, gross collections were \$13,602.31 and the net to the District was \$11,806.46. Since his last report, five accounts were fully paid and partial payment was received on seven other accounts.

5. RWQC/GMPC/MWPAAC Staff Assistance Contribution. Mr. Derrick presented information about the District's historical annual contributions to Regional Water Quality Committee (RWQC), Growth Management Planning Council (GMPC), and the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC). He also presented a cover letter from Ron Sheadel of Cedar River Water & Sewer District requesting annual contributions from member districts. Mr. Derrick reported that the Board budgeted \$2,200.00 for these three committees, which provide a benefit to the District through their work with other government agencies. He also stated that the Commissioners approved an annual contribution of \$2,200.00 in 2009-2011. Commissioner Carroll asked what benefit the District receives from the staff work of these three committees. Commissioner Wadekamper stated that the one part-time staff person was knowledgeable and met with various elected officials. After some discussion, the Commissioners acknowledged good work from committee staff, especially with respect to

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reclaimed water. Commissioner Carroll recommended a contribution of \$2,500.00. Commissioner Ransom stated that the staff person answered all of his questions at a recent meeting. He agreed an increase is warranted given our contribution has been the same for three years now. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to make a contribution of \$2,500.00.

6. Springbrook Upgrade. Mr. Derrick explained the District's need for an update to the Springbrook software to the current version 7.NET. Upon motion by Commissioner Ransom, and second by Commissioner Wadekamper, the Board voted 3-0 to approve the purchase of the upgrade in the amount of \$44,334.00 and allow Mr. Derrick to sign the upgrade contract.

7. District Goals, Mission and Message. Mr. Derrick presented his March 12 draft of the District's Mission Statement, Values and Goals. Commissioner Carroll stated there should be a statement in favor of the ratepayer's right to vote on whether their sewer system will be operated by a special purpose water/sewer district. Mr. Derrick stated that it was included in the draft but not highlighted as a change. Commissioner Ransom stated he will abstain on that item because the District previously signed an agreement with the City about assumption. He asked why the draft deleted "providing a forum for our ratepayers." Commissioner Carroll agreed that should be retained. Commissioner Ransom suggested the District explore ways to increase sewage flows to Edmonds Treatment Plant versus King County. Commissioner Carroll recommended that Mr. Derrick prepare a revised draft incorporating General Manager goals and that the Commissioners defer discussion until a later meeting. The other Commissioners concurred.

8. Primerica Insurance: Make Available a District Benefit? Mr. Derrick reported that he is having difficulty finding term life insurance for new Commissioners over 70 years of age. This impacts Commissioner Ransom, who has been paying for his own term life insurance out of pocket. The District's approved policy allows \$100.00 per month benefit for term life. Commissioner Carroll has some suggestions for insurance brokers who might be able to place term life insurance. If not, the Commissioners agreed that Commissioner Ransom would be entitled to a payment of \$100.00 per month, which he could then apply to his privately purchased insurance.

9. King County Treatment Rate; Future Increases. Commissioner Ransom stated his concern at King County's forecasted high rate increases for treatment charges. The increase is because King County needs an additional \$1 billion to implement Brightwater. Commissioner Carroll remarked that the County's assumptions for increased sewer connections were erroneous. Thus, growth is not paying for growth. He stated that the District has been trying to educate its

ratepayers for years about the explosive growth of the King County's treatment rate and how this is the largest component of the District's billing. Mr. Derrick included this in a newsletter to ratepayers. Commissioner Ransom encouraged that the District address this when it considers the rate for next year. Commissioner Carroll stated the District will consider this as part of its 2013 Budget in the fall. Commissioner Ransom stated for public relations it is important to give ratepayers sufficient advance notice.

10. Hiring Part-Time Temporary Worker for Scanning. Mr. Derrick reported the District's need for a part-time temporary worker, two days a week for two hours each day at minimum wage of \$9.05 per hour for a period covering 90 days to do scanning work. He identified a Shorewood student who is part of a vocational training program who could do the work. He asked the Commissioners for approval because it had not been budgeted. Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 to approve the hiring of a temporary part-time worker for scanning.

#### LEGAL REPORT

None.

#### MAINTENANCE REPORT

None.

#### PERSONNEL

None.

#### COMMISSIONERS' COMMENTS AND REPORTS

Commissioner Ransom reported on the recent MWPAAC meeting. Commissioner Carroll reported on the sewer tour of the Edmonds Treatment Plant that was auctioned off at the Shorewood High School auction.

#### GENERAL MANAGER'S REPORT

None.

#### PUBLIC COMMENT

None.

#### FUTURE TOPICS/CITY REPORT

Mr. Derrick reported that a joint meeting with the Board of Commissioners of Shoreline Water District and The Highlands Sewer District has been scheduled for April 4 at 11:00 a.m. at the water district office. He asked the Commissioners to check their calendars for that. The April 10 regular meeting will be re-scheduled for Monday, April 9 at 5:30 p.m. to accommodate travel to the WASWD

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conference in Yakima. The following two regular meetings will be Wednesday, April 25 and Monday, May 7, both at 5:30 p.m.

### EXECUTIVE SESSION

Upon motion by Commissioner Wadekamper, and second by Commissioner Ransom, the Board voted 3-0 for 15 minutes to discuss potential litigation. The Board went into Executive Session at 7:48 p.m. At 8:03 p.m., the Board came out of Executive Session and went back into open session.

### FUTURE TOPICS (Continued)

Without calling for Board action, Commissioner Carroll stated that he is in favor of increasing the Board of Commissioners from three to five members. He stated that an expanded Board would be better able to outreach and engage the public. Commissioner Wadekamper stated the Board has considered it in the past and that he reserves judgment on it. Commissioner Ransom stated that he thinks the potential merger or consolidation of Shoreline Water needs to be explored and resolved first before considering increasing the number of Commissioners. He recommended waiting a year so that he has a better sense of the District, the demands on Commissioners and whether an addition of two Commissioners would benefit the District. Commissioner Carroll requested that staff and counsel prepare a draft resolution for discussion at the next meeting.

Commissioner Carroll suggested the formation of an education committee regarding the City's proposed acquisition of the SPU water system. Commissioner Ransom suggested two names for such a committee. The Board agreed that Commissioner Carroll will work with Mr. Derrick to form the committee, its purpose, and goals.

The Commissioners and Mr. Derrick had a general discussion about issues related to finances, assumption, potential consolidation, and the relative fiscal strength of various municipal entities. Commissioners Carroll and Ransom disagreed about the efficiency and fiscal strength of the City of Shoreline.


### TOPICS FOR FUTURE DISCUSSION


None.

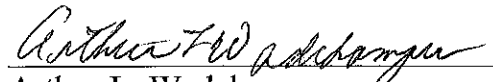
### CONCLUSION

There being no further business, President Carroll concluded the meeting at 8:30 p.m.

APPROVED in open meeting this 9<sup>th</sup> day of April, 2012.

  
Robert L. Ransom,  
Secretary/Commissioner

  
Brian T. Carroll,  
President/Commissioner

  
Arthur L. Wadkamper,  
Vice President/Commissioner