

Chairperson: James Hart
Vice Chairperson: Bill Huntington
Secretary: Susan Way
Commissioner: Jeannie Screws
Commissioner: Jerry Lundberg

Attending:

Larry Curles, General Manager
John Poppe, Plant Manager
Joe Redfern, Operations Foreman
Denita Patton, Finance Manager
Sue Fowler, Customer Service Manager
Tracy Fantz, Assistant Finance Manager
Richard Gross, District Attorney

Also in attendance were the following people:

Commissioner Ray Rogers
Commissioner Mary Alice Cary
Commissioner Bill Parisio
Debbie Raymond
Deena Carpenter
Randy Screws
Bill Lathum

The meeting was called to order by Commissioner Hart at 4:30 PM

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None

DISCUSSION WITH HARTSTENE POINTE WATER-SEWER DISTRICT

Briefing on Contract Operations

The General Manager briefed the Board of Commissioners from both West Sound Utility District and Hartstene Pointe Water-Sewer District on the contract operations for Hartstene Pointe. The West Sound employees are operating the water, sewer collection, wastewater treatment, and customer service.

- The water system had more issues than first anticipated, but it is manageable. Chlorine application is an issue and West Sound is apparently applying more than that which was applied by Mason County. Well 1 has been repaired.
- Customer Service is operational and the billings are being made. Operational problems are not out of the ordinary and are being addressed.
- Sewer collection has not had any significant issues. Pump station maintenance will be needed.

Wastewater treatment is an issue and has taken considerable more labor than expected. West Sound is working closely with the Department of Ecology to identify the treatment issues and to resolve them.

West Sound has charged more labor hours than expected. West Sound had to implement standby charges. To help mitigate this expense, the travel time hours are not being charged. The cost for most of the administration and Ecology coordination is not being charged.

It is anticipated that Hartstene Pointe will need a rate increase in 2010 to address the debt for the USDA loan and cost of system operations.

Update on NPDES Appeal

Plant Manager Poppe updated the Boards on the NPDES appeal. When Ecology transferred the NPDES permit to the new District, they insisted on designating West Sound Utility District as a permit holder. Ecology wants all contract operators listed as a NPDES permittee. Since the contract operator is contracted only to operate the plant and does not have the budgetary or ownership responsibilities, this is unacceptable to West Sound. A formal appeal has been made to the Pollution Control Hearings Board. The pre-hearing conference is January 7th. The hearing is in June.

BOARD DISCUSSION/ACTION

Approval of Board Minutes of December 21, 2009

Commissioner Huntington moved to approve the minutes of the December 21st Board meeting. The motion, seconded by Commissioner Screws, passed unanimously.

Election of Officers

The Board is required to elect officers annually.

Commissioner Huntington moved to appoint Commissioner Hart as Chair of the Board. The motion, seconded by Commissioner Way, passed unanimously.

Commissioner Screws moved to appoint Commissioner Huntington as Vice-Chair of the Board. The motion, seconded by Commissioner Way, passed unanimously.

Commissioner Screws moved to appoint Commissioner Lundberg as Secretary of the Board. Commissioner Lundberg declined the opportunity and the motion dies for lack of a second.

Commissioner Lundberg moved to appoint Commissioner Way as Secretary of the Board. The motion, seconded by Commissioner Hart, passed unanimously.

Reschedule Board Meeting from Jan 18th to 5:30 PM Jan 19th (Martin Luther King Jr. Day)

The Board usually meets on the 3rd Monday of the month unless that Monday is a holiday.

Commissioner Hart moved to reschedule the second meeting in January to 5:30 PM, Tuesday, February 19th. The later hour of 5:30 PM accommodates Board members who had scheduling conflicts on that day. The motion, seconded by Commissioner Huntington, passed unanimously.

Resolution 180-10 Step Increase for John Tapia

Operation Foreman Redfern stated that Supervisor Tapia has received his annual evaluation and is recommended for the step increase. Commissioner Screws moved to approve Resolution 180-10 to promote Sewer Utility Supervisor John Tapia to Pay Grade 15, Step 6 with a wage of \$4,889.73 per month (\$28.21 per hour), effective January 1, 2010.

Resolution 181-10 Amendment 3 of the State Park Contract

The Washington State Parks and Recreation Commission has negotiated a continuation of the contract operations with the District for a cost of \$143,330. Commissioner Screws moved to approve Resolution 181-10 to sign Amendment 3 of the contract operations with State Parks that provides \$143,330 for the District to continue operating wastewater treatment plants at Fort Flagler and Larrabee State Parks. The motion, seconded by Commissioner Way, passed unanimously.

It was noted that Operator Gallagher is working almost full time to provide the contract operations to State Parks. This and the operations at Hartstene Pointe are impacting the staffing levels at the South Kitsap Water Reclamation Facility. Commissioner Screws requested a report on how the staffing will be adjusted to accommodate these additional work levels.

ATTORNEY'S REPORT

District Attorney Gross had no report for this meeting.

PLANT MANAGER'S REPORT

Plant Manager John Poppe reported on the following:

- The plant is running well.
- The micro-turbine has not yet been delivered. The staff is working with the vendor and supplier to correct this problem.

- The latest PSE grant application has been submitted.
- To stabilize the slope by the generator room, a concrete ecology block wall was installed. Since then the slope slipped again, but was held back by the new wall.

OPERATIONS FOREMAN'S REPORT

Operations Foreman Joe Redfern reported on the following items:

- The water main at the former South Kitsap Mall has been repaired by the property owner and is back on line.
- In 2009, the District pumped 661,210,600 gallons in 2009, as compared to 641,446,100 gallons in 2008.
- The new Well 9 is being drilled at this time.
- The pump at the Crownwood sewer lift station should be repaired this week.

FINANCE MANAGER'S REPORT

Finance Manager Denita Patton reported on the following items:

- The staff is working on the end-of-year closing.
- In February, the department will begin work on the annual report.

CUSTOMER SERVICE MANAGER'S REPORT

Customer Service Manager Sue Fowler reported on the following:

- The West Sound billings will go out at the end of January, with the new \$50 sewer rate.
- The Hartstene Pointe billings have been mailed.

GENERAL MANAGER'S REPORT

General Manager Larry Curles reported that there will be an executive session at the next Board meeting.

SIGN VOUCHERS AND RESOLUTIONS

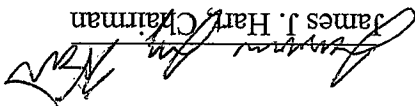
The Board signed the accounts payable vouchers, as indicated on the attached summary sheet.

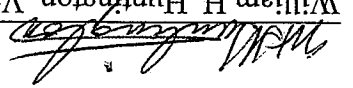
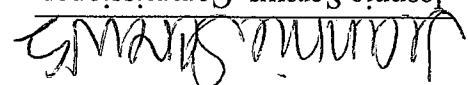
COMMISSIONER'S REPORT

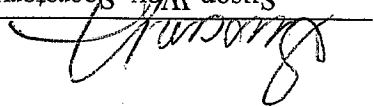
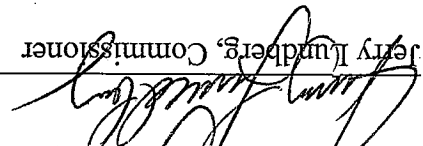
- Commissioner Screws noted earlier in the meeting that the District can get sandbags from Kitsap County to pre-position them in case of winter storms.
- Commissioner Hart was contacted by the Washington WARN system and notified that the District needs to update its point of contact.

ADJOURN

Commissioner Screws moved to adjourn the Board meeting. The motion, seconded by Commissioner Hart, passed unanimously. The meeting was adjourned at 5:55 p.m.


James J. Hart, Chairman


William H. Huntington, Vice Chairman

Jeannie Screws, Commissioner


Susan Way, Secretary

Jerry Lundberg, Commissioner

**PAYROLL AND ACCOUNTS PAYABLE VOUCHER INFORMATION
 JANUARY 04, 2010 WSUD BOARD MEETING**

JANUARY 2010 PAYROLL: 91926 N/A

91928 N/A

ACCOUNTS PAYABLE:

91926 48,128.35 17655 - 17677 17678 - 17689 70,617.56

**VOUCHER
 NUMBERS**

91928 2,200.73 8869 - 8878 8879 - 8890 5,567.45

TOTAL 91928:

91932 0.00

TOTAL 91932:

91933 102,478.54 17652 - 17654 17690 2,182.91 104,661.45

TOTAL 91933:

2010 VOUCHER AUTHORIZATION FORM

DISTRICT: WEST SOUND UTILITY DISTRICT #1

FUNDS: 91924, 91925, 91926, 91927, 91928, 91929, 91930, 91932, and 91933

EFFECTIVE DATE: JANUARY 1, 2010

I, James Haas, CHAIRPERSON, BOARD OF COMMISSIONERS, DO HEREBY AUTHORIZE THE FOLLOWING INDIVIDUALS TO APPROVE AND SIGN VOUCHERS FOR THE ABOVE STATED DISTRICT:

James Haas CHAIRPERSON, BOARD OF DIRECTORS
1/7/10 DATE

COMMISSIONERS

CHAIRPERSON

James Haas

VICE CHAIRPERSON

William King

SECRETARY

James Haas

COMMISSIONER

William King

COMMISSIONER

James Haas

GENERAL MANAGER

Lawrence J. Curles

DIRECTOR/DEPARTMENT HEAD/OTHER

FINANCE MANAGER

Denita Patton

ASSISTANT FINANCE MANAGER

Tracy Fantz

ACCOUNTING SPECIALIST

Erasma Elliott

ACCOUNTING CLERK

Jennifer Branson

GENERAL MANAGER

Lawrence J. Curles
LAWRENCE J. CURLES

COMMISSIONER

[Signature]

COMMISSIONER

Veronica Stevens

SECRETARY

[Signature]

VICE CHAIRPERSON

William King

CHAIRPERSON

James Hart

CHAIRPERSON, BOARD OF DIRECTORS

James Hart

DATE

1/27/10

I, JAMES HART, CHAIRPERSON, BOARD OF COMMISSIONERS, DO HEREBY AUTHORIZE THE FOLLOWING INDIVIDUALS TO APPROVE AND SIGN PAYROLL AFFIDAVITS FOR THE ABOVE STATED DISTRICT.

EFFECTIVE DATE:

JANUARY 1, 2010

FUNDS:

91926 AND 91928

DISTRICT:

WEST SOUND UTILITY DISTRICT #1

2010 PAYROLL AUTHORIZATION FORM