

**MINUTES OF THE REGULAR MEETING OF THE BOARD
OF COMMISSIONERS OF THE EASTSOUND SEWER AND
WATER DISTRICT OF SAN JUAN COUNTY, WA
Held at the offices in Eastsound on September 27, 2011**

The Eastsound Sewer and Water District held its regular meeting at the treatment plant office in Eastsound on Tuesday, September 27, 2011 at 4:45 p.m. Those present were Commissioners Greg Ayers, Ed Sutton, David Lowry, Carl Yurdin, Rollie Sauer, Superintendent, Roy Light and Susan Kimple, Office Manager. No guests were present.

The Board discussed the Hope Lane sewer main extension project and the problems that have occurred due to inaccurate information obtained for location of the water main lines in the area. Pat Muffet, Eastsound Excavating, has submitted a proposal for additional costs to install the sewer main line on the other side of Hope Lane. This will require extra work to cross the entrance of Hope Lane and crossing two driveways. Pat Muffet, Eastsound Excavating has submitted a proposal for doing the extra work for a total cost of \$891.00 plus sales tax. The Board agreed that the additional work was necessary in order to avoid the existing water lines in the area and discussed the need for approving a change order to the Small Works Construction Contract with Pat Muffet, Eastsound Excavating.

RESOLUTION 2598-11

Motion by Commissioner Lowry, seconded by Commissioner Sutton and unanimously adopted to authorize and approve Change Order No. 1 to the Small Works Construction Contract with Pat Muffet, Eastsound Excavating for additional work in the total amount of \$ 960.50.

The Board discussed the request of Susan Kimple, Office Manager to attend a WETRC workshop in Auburn, Washington on October 31, 2011 and for the District to pay the registration fee and travel expenses. Commissioner Ayers asked what the costs would be and requested that a not to exceed amount of \$500 be included.

RESOLUTION 2599-11

Motion by Commissioner Lowry, seconded by Commissioner Yurdin and unanimously adopted to authorize and approve the attendance of District employee, Susan Kimple at the Water/Wastewater Operator Reporting & Report Writing Workshop sponsored by Washington Environmental Training Center (WETRC) to be held on October 31, 2011 in Auburn, Washington; and for the District to pay the registration fee and reimburse expenses incurred not to exceed \$500.00.

The Board discussed the need to transfer the remaining funds from the Eastsound Sewer Revenue Bond Redemption Fund and the Revenue Bond Reserve Fund into the Eastsound Capital Reserve Fund as previously discussed to fund future Capital Facilities Projects.

RESOLUTION 2600-11

Motion by Commissioner Lowry, seconded by Commissioner Sutton and unanimously adopted to authorize and direct the San Juan County Treasurer to transfer the sum of \$13,111.35 from the Eastsound Sewer Bond Redemption Fund #6634 to the Eastsound Sewer Capital Reserve Fund #6638 effective as of the adoption of this resolution.

RESOLUTION 2601-11

Motion by Commissioner Sutton, seconded by Commissioner Lowry and unanimously adopted to authorize and direct the San Juan County Treasurer to transfer the sum of \$16,929.67 from the Eastsound Sewer Bond Reserve Fund #6635 to the Eastsound Sewer Capital Reserve Fund #6638 effective as of the adoption of this resolution.

The Board discussed the need to enter into executive session in order to discuss the potential purchase of Land owned by Smallwood and Company, LLC.

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Motion by Commissioner Ayers, seconded by Commissioner Sutton and unanimously adopted to enter into executive session along with staff for approximately thirty minutes.

The Board entered executive session at 4:53 p.m.

The Board of Commissioners returned to regular session at 5:23 p.m.

The Board discussed the need to add a Commissioner Project to investigate the feasibility of sighting future treatment facilities on the existing District owned land and the need to prepare a scope of work to have the District's engineer prepare a report on the ability to install sludge and septage dewatering facilities on the current site.

Motion by Commissioner Yurdin, seconded by Commissioner Sutton and unanimously adopted to have the District engineer perform work necessary to prepare a report on the feasibility of sighting future treatment facilities on the existing District owned land.

The Board discussed questions they still had regarding the purchase terms of land owned by Smallwood and Company, LLC and directed Commissioner Ayers to call the property owner for explanation.

Board Action

Staff told the Board that the District needed someone in the office to answer phones and do the daily receipting while both Mr. Light and Ms. Kimple were attending the Association of Sewer & Water Districts annual conference in Wenatchee, WA this week. Commissioner Sutton has said that he would be available to do this.

Motion by Commissioner Yurdin, seconded by Commissioner Lowry to authorize and approve payment of additional meeting times for Commissioner Sutton to work at the District office while staff is away. Commissioner Sutton abstained and the motion carried.

The Board read and discussed the minutes of regular meeting dated 8-23-2011.

Motion by Commissioner Sutton, seconded by Commissioner Yurdin and unanimously adopted to approve the minutes of 8-23-2011 as read.

The Board reviewed the Accounts Adjustments record for quarter ending June 30, 2011.

Motion by Commissioner Sauer, seconded by Commissioner Lowry and unanimously adopted to approve the Accounts Adjustments record for quarter ending June 30, 2011.

The Board reviewed the Eastsound General Fund, Eastsound Capital Reserve Fund and Orcas Village General Fund Financial Statements for month ending August 31, 2011.

Motion by Commissioner Yurdin, seconded by Commissioner Lowry and unanimously adopted to approve Financial Statements for month ending August 31, 2011.

The Board reviewed the Accounts Receivable Aging report for month ending August 31, 2011.

Motion by Commissioner Sauer, seconded by Commissioner Yurdin and unanimously adopted to approve the Accounts Receivable Aging report for month ending August 31, 2011.

Staff reported to the Board that the Washington State Department of Revenue had sent a notification that starting immediately, they would only accept electronic funds transfer for payment of the District's monthly excise tax report. The San Juan County Auditor informed the District that a separate voucher approval form would be required for EFT payment of the monthly excise tax form in order to have the San Juan County Treasurer's office process the payment.

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The Board reviewed the maintenance and operation bills that were due for payment including the separate voucher approval to the Department of Revenue.

Motion by Commissioner Lowry, seconded by Commissioner Sutton and unanimously adopted to approve payment of Eastsound General Fund Voucher #G3489 to the Department of Revenue in the total amount of \$1,294.44.

Motion by Commissioner Lowry, seconded by Commissioner Sauer and unanimously adopted to approve payment of Eastsound General Fund Vouchers #G3490 through #G3514 in the total amount of \$16,492.31.

Motion by Commissioner Sutton, seconded by Commissioner Lowry and unanimously adopted to approve payment of Eastsound General Fund Vouchers #G3515 through #G3518 in the total amount of \$644.31.

Motion by Commissioner Sutton, seconded by Commissioner Lowry and unanimously adopted to approve payment of the Eastsound Capital Reserve Fund Vouchers #C250 and #C251 in the total amount of \$11,412.36.

Motion by Commissioner Lowry, seconded by Commissioner Sutton and unanimously adopted to approve payment of the Orcas Village General Fund Vouchers #O418 through #O421 in the total amount of \$3,790.22.

The Board reviewed the applications for new connection to the sewer system.

RESOLUTION 2602-11

Motion by Commissioner Sutton, seconded by Commissioner Lowry and unanimously adopted to approve the Application and Sewer Service Agreement and Permit No. 279-11 with Ethna Flanagan for sewer service to property located outside ULID boundaries.

RESOLUTION 2603-11

Motion by Commissioner Sutton, seconded by Commissioner Lowry and unanimously adopted to approve the Application and Sewer Service Agreement and Permit No. 271-10 with Chris & Tracy Betcher, Bramble House, LLC for sewer service to property located inside ULID boundaries.

RESOLUTION 2604-11

Motion by Commissioner Sutton, seconded by Commissioner Lowry and unanimously adopted to approve the Application and Sewer Service Agreement and Permit No. 296-11 with Wallace and Susan Gudgell, Fishing Bay, LLC, for sewer service to property located inside ULID boundaries.

The Board read and discussed the Superintendent's Report for month ending August 31, 2011.

Superintendent Roy Light gave brief reports on progress of the outfall replacement project and the Bonnie Brae main extension project. Mr. Light also gave a report on his investigation of the advantages of extending the sewer main line on Blanchard Road, from the entrance of Los Arboles, as opposed to following through with the Seaview Street to Blanchard Road extension project.

The Board discussed the District's driveway repair work. The District had the work done to prep the area of repair in anticipation of Lakeside Industries being able to do the asphalt repair. Lakeside Industries called at the last minute and said that they would not be able to lay the asphalt for the repair.

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District staff declared an emergency to have the asphalt work performed as soon as possible because the large hole in the District's driveway had created a safety hazard. Richard Lawson Construction Company from Friday Harbor, WA was contacted to perform the asphalt patch and said that they could do the work right away.

Motion by Commissioner Lowry, seconded by Commissioner Yurdin and unanimously adopted to approve the emergency work performed by Richard Lawson Construction Company to do the asphalt patch and repair the District's driveway.

Commissioner Projects

The Board discussed the Seaview Street to Blanchard Road main extension project and agreed that based on the Superintendent's report, the sewer main line could be extended from the entrance of Los Arboles and there was no need to continue with the project.

Commissioner Yurdin and Superintendent Roy Light reported on the progress of the District's outfall replacement project. The Biological Evaluation Report and JARPA (permit application) has been submitted to all state and federal agencies and it could be several month before they respond. Chris Betcher of Jen-Jay, Inc. will keep the District informed.

Commissioner Sutton told the Board that he was still looking into the San Juan County Critical Area Ordinance (CAO) and its effect on the District.

Commissioner Yurdin gave an update report to the Board on the Eastsound Water Users Association's West Blanchard initiative to investigate the private on-site sewer systems and what was being done to determine the need for providing sewer service to this area. Commissioner Yurdin spoke with Paul Kamin who reported that 75% of the letters sent to property owners in the area came back with a positive response for allowing an independent assessment performed on their private sewer systems.

Commissioner Sutton gave a report to the Board on his draft summary of Capital Improvements Plan (CIP) and the estimated timeline for when these capital facilities projects would be needed. A copy of Commissioner Sutton's draft summary will be distributed to the Board.

New Business

The Board read and discussed the letter from Mr. Ray Brimhall dated September 14, 2011. Mr. Brimhall owns two lots in the Bayhead Subdivision at Orcas Village. One of the lots has an existing home that he has been notified must connect to the sewer system. The other lot is vacant. Mr. Brimhall requested that the Board grant approval of a District financed extension to the sewer main along the Upper Bayhead Road in order to more efficiently connect his property and to avoid further cost and disturbance of his property. Superintendent Roy Light told the Board that in order to connect the existing home owned by Mr. Brimhall it would take a very long sewer discharge line, approximately 150 feet, from the septic tank to the end of the existing main line but it was feasible to do so. The existing sewer main line does not abut the vacant lot so provisions would need to be made in the future when that lot developed.

The Board discussed the pros and cons of extending the sewer main line along Upper Bayhead Road. Motion by Commissioner Sutton, seconded by Commissioner Yurdin and unanimously adopted to authorize and approve a District financed sewer main extension on Upper Bayhead Road to serve both lots owned by Mr. Ray Brimhall provided that Mr. Brimhall make application for sewer service and pay Facility Charges for both lots.

A letter of response will be sent to Mr. Brimhall informing him of the Board's decision in this matter.

No other business came before the Board.

Motion by Commissioner Sutton, seconded by Commissioner Yurdin and unanimously approved to adjourn the meeting.

The meeting was adjourned at 6:14 p.m.

RESOLUTION RECAP

- 2598-11 Authorize and approve Change Order No. 1 to the Small Works Construction Contract with Pat Muffet, Eastsound Excavating.
- 2599-11 Authorize and approve the attendance of District employee Susan Kimple to the WETRC workshop in Auburn, WA on 10-31-2011.
- 2600-11 Authorize and direct the SJC Treasurer to transfer \$13,111.35 from the ES Bond Redemption Fund to the ES Capital Reserve Fund.
- 2601-11 Authorize and direct the SJC Treasurer to transfer \$16,929.67 from the ES Bond Reserve Fund to the ES Capital Reserve Fund.
- 2602-11 Authorize and approve the Application for new hookup from Ethna Flanagan.
- 2603-11 Authorize and approve the Application for new hookup from Chris & Tracy Betcher, Bramble House, LLC.
- 2604-11 Authorize and approve the Application for new hookup from Wallace & Susan Gudgell, Fishing Bay, LLC.

Gregory M. Ayers **President**

David B. Lowry **Commissioner**

Edwin L. Sutton **Vice-President**

Roland A. Sauer **Commissioner**

Carl Yurdin **Secretary**