

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF
NORTHSHORE UTILITY DISTRICT**

November 17, 2008

A regular meeting of the Board of Commissioners of the Northshore Utility District was held at the District office and called to order by Commissioner Trudy Rolla at 6:00 p.m., on November 17, 2008. Commissioners Don Ellis, Bruce Gardiner, Robert Peterson and Margaret Wiggins were present. Also present were Fanny Yee, General Manager; Alycien Cockbain, Human Resources Director; Dave Kaiser, Engineering Director; Al Nelson, Operations Director; Kinnon Williams, District Counsel and Kelly Boswell, Executive Assistant.

(1). CHANGE TO AGENDA

4c - Standard & Poor's Rating

(2). CONSENT AGENDA

Commissioner Ellis moved to approve the consent agenda consisting of the following:

(a). Minutes: Minutes of the November 3, 2008 Regular Board Meeting.

(b). Vouchers:

Fund:	Maintenance and Operation - Payroll
Fund Number:	11-406-0010
Voucher Nos:	104900 - 104906
Disbursement Amount:	\$89,979.23

Fund:	Maintenance and Operation
Fund Number:	11-406-0010
Voucher Nos.:	163648 - 163707
Disbursement Amount:	\$1,306,904.62

Fund:	Construction (Sewer) Fund
Fund Number:	11-406-3010
Voucher Nos.:	163708 - 163711
Disbursement Amount:	\$9,897.71

(c). Electronic Transfers

End of Month Payroll	\$148,461.18
Payroll Taxes	\$ 69,012.28

Commissioner Gardiner seconded the motion. The motion passed unanimously.

(3). NEW BUSINESS

(a). Water & Sewer Services at the New Kenmore City Hall

Staff informed Board of connection charges for the New City Hall. At this time, the Board does not have any directions for staff.

(b). 116/98 Water Main Replacement (C826) Design Review & Drafting

Commissioner Ellis moved to approve a change order with DOWL-HKM, Inc. for design review and drafting services for the 116/98 Water Main Replacement Project in the amount not to exceed \$29,115. Commissioner Wiggins seconded the motion. The motion passed unanimously.

(c). Customer East – Request for Leak Adjustment

Customer East requested a leak adjustment for a leaky toilet. Commissioner Wiggins motioned to grant an adjustment per policy guidelines. Hearing no second to the motion, the motion died. The Board continued talks on the District Policy for underground leaks. After a lengthy discussion the Board directed the General Manager to handle this matter.

(d). Re-appoint Commissioner Wiggins as MWPAAC Representative

Commissioner Gardiner motioned to re-appoint Commissioner Wiggins as the MWPAAC Representative and Commissioner Rolla as the back-up Representative. Commissioner Ellis seconded the motion. The motion passed unanimously.

(4). STAFF REPORTS

(a). Operations Report

Al Nelson presented the Operations Report to the Board.

The Commissioners extended a Thank You to the Metering Crew after a customer wrote to the District on a job well done by the crew at the customer's house.

(b). Engineering Report

Dave Kaiser presented the Engineering Report to the Board.

(c). General Manager Report

General Manager Yee reported to the Board that the District has been upgraded from AA to AAA rating through the Standard & Poor's Rating Services for Municipal Water & Sewer Issuers. The District demonstrated one or more of the following credit characteristics to be moved to the AAA rating:

- Strong financial metrics, including debt service coverage and cash reserves;
- Good economic fundamentals, such that we expect their respective utility system(s) to be able to handle such pressures as housing market vulnerabilities, employment softness, or cost of service inflation; and
- Solid management, which includes a demonstrated willingness to adjust rates, long-term planning to fund key service components like water supply or regulatory-driven capital expenditures, and the ability to serve the needs of a growing community.

(5). **REGULAR SESSION** - suspended

At 6:35 p.m., the regular session was suspended.

(6). **EXECUTIVE SESSION**

Union Matters

At 6:35 p.m., the Board moved into Executive Session for three (3) minutes to discuss personnel matters pursuant to *RCW 42.30.110(1)(g)*.

Legal Matters

At 6:38 p.m., the Board moved into Executive Session for nineteen (19) minutes to discuss legal matters pursuant to *RCW 42.30.110(1)(i)*.

