

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

January 5, 2009

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 5:35 p.m. on January 5, 2009. 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; Ken Enns, Engineering Consultant; Kelly Boswell, Executive Assistant.

(1). ELECTION OF NEW BOARD OFFICERS

Commissioner Peterson nominated Margaret Wiggins for Board President for the year 2009. Commissioner Gardiner seconded the nomination. The motion passed unanimously.

By Acclamation, Bruce Gardiner was appointed to be the Board Secretary for the year 2009.

After which time, Commissioner Rolla turned the meeting over to the new board President.

(2). CHANGE TO THE AGENDA

Add

4k - 2009 Proposed Budget – First Reading

4l - Customer Request for Leak Adjustment

4m - Reschedule Board Meeting of January 19, 2009

(3). CONSENT AGENDA

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

(a). Minutes: Minutes of the December 15, 2008 Regular Board Meeting.

(b). Vouchers:

Fund:	Maintenance and Operation
Fund Number:	11-406-0010
Voucher Nos.:	163870 - 163940

Disbursement Amount: \$210,316.66

Fund: Construction (Sewer) Fund
Fund Number: 11-406-3010
Voucher Nos.: 163940 - 163943
Disbursement Amount: \$99,083.54

Fund: Construction (Water) Fund
Fund Number: 11-406-3510
Voucher Nos.: 163944 - 163949
Disbursement Amount: \$546,423.49

(c). Electronic Transfers

Mid-month Payroll \$49,075.00

Commissioner Ellis seconded the motion. The motion passed unanimously.

(4). NEW BUSINESS

(a). Board Meeting Time Change

Commissioner Gardiner moved to change the regular scheduled Board meetings from 6:00 pm to 5:30 pm on the first and third Monday of each month. Commissioner Rolla seconded the motion. The motion passed unanimously.

(b). 2009 CIP Proposed Schedule and Costs

Moved to item 4j, 2009 Budget.

(c). BHC Consultants Construction Representative Services Agreement Change Order

Commissioner Ellis moved to approve a change order with BHC Consultants for construction administration services for Contract 2008-01A; 134/108 Water and Sewer Project and Contract 2008-01; 147/Simonds Sewer Project in an amount not to exceed \$27,225.00. Commissioner Gardiner seconded the motion. The motion passed unanimously.

(d). Side Sewer Stub at 7017 NE 204th St Installation (C832) Resolution 2009-01-03

Commissioner Gardiner moved to adopt Resolution 2009-01-03 accepting the Side Sewer Stub installation as complete. Commissioner Ellis seconded the motion. The motion passed unanimously.

Resolution 2009-01-03

A RESOLUTION of the Board of Commissioners of Northshore Utility District accepting 7017 NE 204th St Side Sewer Stub Installation Project, as complete.

(e). Lift Station #19 Removal – Gravity Sewer Extension

Commissioner Ellis moved to approve a change order with Gray & Osborne in an amount not to exceed \$15,384. Commissioner Rolla seconded the motion. The motion passed unanimously.

(f). 2009 Water Main Replacement Project (C846) – Mapping, Design Review and Drafting

Commissioner Gardiner moved to approve a change order with DHA and DOWL-HKM in an amount not to exceed \$27,124 for DHA and \$32,965 for DOWL-HKM for project C846. Commissioner Ellis seconded the motion. The motion passed unanimously.

(g). Interfund Loan Transfer to the Sewer Construction Fund – Resolution 2009-01-02

Commissioner Gardiner moved to adopt resolution 2009-01-02 approving the interfund loan of \$1,000,000 from the Maintenance Fund to the Sewer Construction Fund. Commissioner Rolla seconded the motion. The motion passed unanimously.

Resolution 2009-01-02

A RESOLUTION of the Board of Commissioners of Northshore Utility District approving an interfund loan in the amount of \$1,000,000 from the maintenance fund to the sewer construction fund to finance capital expenditures for several outstanding projects and a transfer to fund such loan shall be repaid and the maintenance fund shall be reimbursed from the proceeds of tax exempt bonds or other obligations.

(h). Interfund Loan Transfer from the Maintenance Fund to 2003 Bond Fund - Resolution 2009-01-01

Commissioner Rolla moved to adopt resolution 2009-01-01 approving the interfund loan of \$1,000,000 from the Maintenance Fund to the 2003 Revenue Bond Fund. Commissioner Peterson seconded the motion. The motion passed unanimously.

Resolution 2009-01-01

A RESOLUTION of the Board of Commissioners of Northshore Utility District to approve the interfund transfer of \$1,000,000 from the Maintenance Fund to the 2003 Revenue Bond Fund to provide for fiscal year 2009 bond interest and principal payments.

(i). Proposed Leak Adjustment Policy for 2009

After discussion of the proposed Leak Adjustment Policy, Commissioner Rolla moved the changes to a second reading for further review. Commissioner Peterson seconded the motion. The motion passed unanimously.

j). US Census Bureau Request

The US Census Bureau has contacted the District to use a meeting room free of charge to test Kenmore applicants for the 2010 census. The Board directed staff to follow the Policy for room rentals and deny the Bureau's request.

(k). 2009 Proposed Budget – First Reading

After review of the 2009 proposed budget and a discussion on the 2009 rate increase, the Board directed staff to move budget to a second reading and to prepare a rate study of other municipalities and districts in the area for the year 2009 and return with the results at the next meeting on January 26th.

(l). Customer Request for Leak Adjustment

Customer Mobeen Butte addressed a letter to the Commissioners asking for an adjustment to his account on a commercial property that he owns. Due to the fact that within the last 24 months, Mr. Butte received an adjustment per the Leak Adjustment Policy, the Board denied his request and instructed staff to send out the drafted letter provided to the Board with minor edits by Commissioner Rolla. No motion was made. No action was taken.

(m). Reschedule Board Meeting of January 19, 2009.

Due to the Martin Luther King Holiday on the 19th of January, Commissioner Rolla moved that the regular scheduled Board meeting be moved to Monday the 26th, 2009. Commissioner Wiggins seconded the motion. The motion passed unanimously.

(5). OLD BUSINESS

Employee Handbook – Second Reading

Board directed staff to hold the Handbook at a second reading for further review. The Union representatives have not made any comments regarding the new Handbook changes.

(6). STAFF REPORTS

(a). Operations Report

Al Nelson presented the Operations Report to the Board.

(b). Engineering Report

Dave Kaiser presented the Engineering Report to the Board.

(c). General Managers Report

Fanny Yee gave a report on the status of the Finance Director position.

(7). REGULAR SESSION - suspended

At 6:30 p.m., the regular session was suspended. At which time, Ken Enns left the meeting.

(8). EXECUTIVE SESSION

Personnel Matters

At 6:30 p.m., the Board moved into Executive Session for five (5) minutes to discuss personnel matters pursuant to *RCW 42.30.110(1)(g)*.

(9). REGULAR SESSION - continued

The meeting was adjourned at 6:35 p.m.

D.A. Ellis

D. Bruce Gardiner

Robert S. Peterson

Trudy C. Rolla

Margaret R. Wiggins