

**MINUTES OF THE April 11, 2011  
FREELAND WATER & SEWER DISTRICT  
COMMISSIONERS MEETING**

Meeting Place  
5494 Harbor Avenue  
Freeland, WA  
(Freeland Library)

In Attendance:

Commissioner – Nolen Knickerbocker  
Commissioner – Jim Short

Commissioner – Eric Hansen

Andy Campbell – Certified Operator  
Sandy Duncan – Administrative Assistant  
Gary Hess-Davido Consulting Group  
Quin Clements-Davido Consulting Group  
Chet Ross-Freeland Chamber

Audience

See attached sign in sheets

**CALL TO ORDER:** Commissioner Knickerbocker called the meeting to order at 5:46 p.m. followed by the pledge of allegiance.

**APPROVE AGENDA:** Upon discussion.

A motion was made by Commissioner Short to approve the agenda as changed. The motion was seconded by Commissioner Hansen and passed.

**PUBLIC COMMENT WATER:** None

**REVIEW OF MINUTES:** Upon review.

**ACTION:** A motion was made by Commissioner Short to approve the minutes of the February 21, 2001 and March 14, 2011 meeting minutes. The motion was seconded by Commissioner Hansen and passed.

**OLD BUSINESS:**

1. Sunny View Farm Rates. Upon discussion of the repairs performed at the Sunnyview farm well, Commissioner Hansen proposed a \$4.50 increase per month per customer to establish a reserve fund.

MOTION: Commissioner Short made a motion to increase the monthly rates at Sunnyview Farm by \$4.50 per month. The motion was seconded by Commissioner Hansen and passed.

Sandy will prepare a resolution and send out notices to the customers of Sunnyview Farm.

2. Harbor Hills Comprehensive Plan confirmation on submittal requirements. Andy and Sandy reported that Erica Lindsey of the Department of Health confirmed that the Harbor Hills Comprehensive plan will not require an update until annexation or a major extension. Andy agreed to send a follow up email to Erica as confirmation.
3. Fish Forest-Developer Extension Conveyance and Acceptance. Upon discussion Sandy will prepare an agreement between Silver Fin and the District confirming the agreement to pay in accordance with the March 22, 2010 letter.

ACTION: A motion was made by Commissioner Hansen to approve the Easement and Water Facilities Conveyance and Acceptance agreement for Silver Fin Investment for the Fish Forest PRD, subject to their signed agreement to pay the \$31.50 monthly fee for the pump station and generator. The motion was seconded by Commissioner Short and passed.

4. Letter of Consideration 2011 ERU Thomson. Sandy reviewed the history of the account. Sandy noted that there is a house, cabin and water to the barn. Andy noted that he cannot confirm if they replaced all the piping, however the meter will tell us if they are successful in ending the leaks. Commissioner Knickerbocker noted the District should consider having them install additional meters. Andy noted that today the requirements would be a 2-inch service pipe and a meter to every structure. Sandy will research a letter the District sent to Mary Thomson identifying new expectations after the sale of the property and will send a copy to the new owners.

ACTION: A motion was made by Commissioner Hansen to adjust the 2011 ERU rate to 3 ERU's and monitor consumption. The motion was seconded by Commissioner Short and passed.

5. Letter of Consideration 2011 ERU Saran. Upon discussion.

ACTION: A motion was made by Commissioner Hansen to revert the 2011 ERU to 1. The motion was seconded by Commissioner Short and passed.

6. Letter of Consideration 2011 ERU Rising. Upon Discussion

ACTION: A motion was made by Commissioner Hansen to revert the 2011 ERU to 1.

1. The motion was seconded by Commissioner Short and passed.

7. Skagit Farmers Supply-Developer Extension & DOT permit. Andy reviewed that the Cenex engineers designed their onsite piping to come off the State highway. The

State in turn notified them that the District will have to apply for use of right of way permit. Commissioner Knickerbocker agreed that they need to connect on Cameron and not on the highway. Andy will follow up to correct the design to come off Cameron. Until the final drawing are submitted and reviewed and approved by Andy there is no need to approve extension at this time. Andy reviewed that when the main was brought across Cameron the original intent was to extend the main and connect to the main by Senior Thrift. Commissioner Knickerbocker suggested that this be investigated further.

8. Freeland Treatment Plant Well #3. Sandy reported that we are awaiting Department of Health approval. Once approved we will need to order the plant.

#### **NEW BUSINESS:**

1. Resolution 11-04 Service Installation (Hook Up) fees. Sandy reviewed that there was a motion at the March meeting to approve the new hookup fees.
2. Franchise No. 376 Sunnyview Farm. Sandy reviewed the acceptance letter required by Island County regarding the recorded Franchise agreement acknowledging that we have received a recorded copy of the agreement.

**ACTION:** A motion was by Commissioner Short to accept the Franchise Agreement No. 376. The motion was seconded by Commissioner Hansen and passed.

3. Paper of Record-Notices- Whidbey News Times add Whidbey Examiner. Sandy reviewed that the paper of record for the District is the South Whidbey Record. The commissioners discussed adding the Whidbey Examiner for public notices also but it was agreed to leave as is with the Record.

#### **MAINTENANCE REPORT- Andy Campbell.** Andy reviewed his report. A copy is attached.

1. Andy reviewed that Erica Lindsey of the Department of Health inspected both Harbor Hills and Freeland Water. She will be back on April?? 21 to complete her inspection, Andy suggested that Commissioner Short attend also to get a tour of the facilities. Commissioner agreed to attend

#### **ADMINISTRATIVE REPORT- Sandy Duncan.** Copies of Sandy's reports are attached.

#### **PUBLIC COMMENT – SEWERS**

Commissioner Hansen suggested that maybe we postpone for public comment period until after we have addressed the items on the sewer portion of the agenda which were discussed at the March 28<sup>th</sup> workshop. Commissioner Hansen reviewed that we have a project that is too expensive to make the project feasible at this time. He would like to explore lower scale options for the sewers and re-consider the population numbers we are using.

Commissioner Short would prefer that before we go out to the public that we have a discussion to really discuss the issues amongst ourselves first, which could be at the next workshop.

Commissioner Hansen agreed that this needs to be discussed further and the workshop will give us the opportunity. Commissioner Short agreed with Commissioner Hansen that the population numbers are high.

Commissioner Hansen added that another topic of discussion for the workshop should be citizen participation for developing a system that works for the community.

1. Mitch Streicher asked about the LID meetings on the agenda. Commissioner Hansen explained that we were going to have some public meeting in April and May for the proposed LID. However the District has postponed the LID and the related meetings.
2. Lou Malzone asked if there will be a new LID resolution. Commissioner Knickerbocker noted that on the agenda there is a resolution to postpone the LID to a date to be determined. Commissioner Hansen noted that it is the intent of the Resolution to only postpone the LID formation hearing date. The District needs the LID process to demonstrate to potential grant providers that we want to form an LID but must obtain grants to bring the costs down.

Commissioner Knickerbocker noted that we have reviewed an email from Helen Price-Johnson that the state won't update the GMA number until the spring 2012. She is researching what options are available. Therefore, we cannot update our population estimates until we receive notification from the County. Commissioner Hansen said Helen Price-Johnson was going to discuss with the planning department staff about the possibility of developing a population projection that we could use for planning purposes. Commissioner Knickerbocker said the population estimates determine the size of the pipe but not necessarily the full build out of the plant.

3. Al Peyser asked if the special benefit appraiser provided a formal report or a letter or an email. Commissioner Hansen stated that this was a verbal response and that the commissioners have not seen the report.

Al also asked if any numbers were given what it could support. Commissioner Hansen replied that the benefit was \$22 million but the appraiser and LID attorney say one typically tries to obtain bonds for 70-80% of the benefit.

Al asked if we are going to receive the report. Commissioner Knickerbocker stated that he has not had a chance to review this item in that he has been out of town and that this will be discussed at the next workshop. Commissioner Short agreed.

Al stated that when he read the Tetra Tech engineering report from 2005 they had recommended that the District form a group of citizen, technical people and others to look over the process and guide it through the process. Al asked if the District intends to form some type of group, how the District would do so, and who will be involved.

Commissioner Hansen responded that this is one of the items that Commissioner Short suggested that we discuss at a workshop. Al noted he thinks it is a wise step to take.

Al asked Gary Hess if we could use existing water consumption to determine the size of a treatment plant. The District must also have a factor for leaky pipes and infiltration. Chapter 4 of the 2005 design report identifies the flow model and describes the process that was used to come up with the 160 gallon per day ERU.

4. Mitch Streicher stated that no matter what the planning department says, you are restricted by the RCW's, which states you will be given the population numbers by the Financial Office of the State.
5. Meg Wingard stated she has served 11 years on the Holmes Harbor sewer board. She noted that we will have the same problems they have experienced in the operation of a sewer system, and suggested that we look at the economy of scale and the benefit of possibly joining with Holmes Harbor or another existing system. Meg also suggested the possibility of going to a 5 member board.
6. Mitch Streicher stated he believes that a 5 member board would be helpful, especially by adding two additional members with technical backgrounds.
7. Carol Hanna stated that she appreciates all the work that has been accomplished by the Freeland Water and Sewer board. She encouraged other to become more active by attending meetings to be better informed and to understand what the board does on a regular basis. Commissioner Knickerbocker noted that Carol, Meg and Mitch have been consistently attending the meeting for the last 1- ½ year and we do appreciate their input.
8. Ron Wallick asked if the District will continue to spend the grant funds from the County, when all we got was a plan that is not feasible. Commissioner Hansen stated that you cannot come up with a plan without spending more money so we will continue to spend grant money. He does not believe that the money we have spent so far has been wasted. He has complete confidence in the engineering team that we have. He agrees that people like Al and others have made valid points and it is causing us to re-consider the big picture. It does not mean we have rejected the existing proposal but it is time to take a second look, teaming up and finding economy of scale.
9. Lou Malzone stated that he does not think the reaction by the public has changed from when it was a 5 phase program with only 90 some customers in the commercial core-phase one. He does not believe that the District had a lot of participant support in spending 15-18 million dollars for that plan.
10. Kim Kelser stated that the need for sewers comes from 3 places: the commercial area want to expand and use their land that is tied up with septic drain fields; GMA mandating that the populations is going to increase ; and the pollution of Holmes Harbor. After reviewing countless internet sites the last couple of weeks and talking with the Health Department she was unable to come up with proof positive that faulty septic tanks are the cause of the pollution in the Harbor. The number one source of pollution in Puget Sound is storm water runoff and that is caused by everything else, including leaking drain fields

and increasing the population and increasing the permeable surfaces. Increasing the population in this skinny part of the Island seems ridiculous from an environmental point of view, and selling the sewer as the solution to the pollution is a lie unless the sewers are going to accommodate treating storm water runoff.

## SEWERS

1. Resolution 11-04 LID Hearing. Sandy reviewed the intentions of the resolution is to cancel the hearing date of the LID.

ACTION: A motion was made by Commissioner Hansen to adopt resolution 11-03. The motion was seconded by Commissioner Short and passed.

2. Amendment #2 Tetra Tech Contract. Sandy reviewed that there is no change in the amount of the contract only the completion date from May 2011 to August 2011 of the contract. Gary noted the District needs to extend the date of the contract because we have ongoing storm water modeling and hydrogeology work. We may also want additional support for public involvement, pursuit of grants, and support of an advisory committee. Gary added that we can redirect and can limit the amount of work if you decide to. If we cancel the contract we will have to go back out for engineering consultants.

ACTION: A motion was made by Commissioner Short that we accept the amendment of the Tetra Tech contract to August 31, 2011. The motion was seconded by Commissioner Hansen and passed.

Commissioner Hansen suggested that we minimize the scope of work to reflect the fact that we are going to re-group.

3. Increase the number of commissioners. This item was tabled to the next workshop.
4. Budget Review-Grant Funds. Sandy reviewed that she has updated the summary to include the voucher approved tonight and will re-email a copy to the commissioners.
5. Schedule workshop to tour sewer treatment plants. Upon discussion it was agreed to tour Holmes Harbor first and then possibly Coupeville, Langley and Carnation. Jim suggested that they have an outline of question as to what the objective in touring the plant will be, what questions and how it will be pertinent to what we are doing here to have an idea of what we hope to learn. Lou Malzone suggested that the commissioners look what we are going to do for a rational growth, not as 700 plus ERUs. Gary suggested that we just look at the plant process and get an understanding of the components, before we get into the analysis on it.
6. Scheduling Public meeting on Financing, Project costs, Sub Area Planning, population growth, water quality issues, Project plan alternatives, design and cost control. (April 26, May 10, and June 7.) Gary reviewed that at the April 5<sup>th</sup> meeting we had discussed having future public meetings to talk in more detail about various aspects of the program because there are still a lot of questions by the public and he feels that the public

meetings would be useful. Commissioner Knickerbocker noted that maybe this is something the proposed committee could be involved in.

Commissioner Hansen suggested we think about the scope and the direction for the proposed advisory committee, and this is something to discuss at the workshop. We need to spread the word that people with engineering, land use and financial skills are encouraged to be on the committee. Commissioner Short asked the audience if anyone would be interested attending a meeting for financial, project costs and sub-area planning as an example. John Brunke stated that he works on a school district board which was involved in building 2 schools and there are some consulting companies that will give you good demographics and they were not terribly expensive; he does not believe that we can wait 2 years for the state to provide the population growth numbers. Meg Wingard suggested that if you have a meeting further out say the 10<sup>th</sup> of May to advise the community on the status and how you are proceeding, that would give a good indication for scheduling future meetings. Gary noted that he is sensing a lot of miss-conception about the whole world of public work financing and LID's what does it really mean, what is the process that we have to go through for the LID, what are our constraints, what are our sideboards, how do we work in the public works financing world. Gary reviewed that and LID process is the only way to fund the sewer project to guarantee payments.

Meg Wingard asked how we are going after grants when there is no LID. Chet responded that there are two distinct sectors: 1) through public appropriation grants at the State and Federal level, which will not have to be paid back; and 2) in the private sector there are some programs that do both loans and grants but they require the LID in order to give the loan. A lot of the grants that the District is looking at are through the agencies and they are a combination grants and loans and before they give the grant they want the LID in place to secure the loan. What the commissioners had desired was to raise enough grant money to make the sewer system affordable for local property owners.

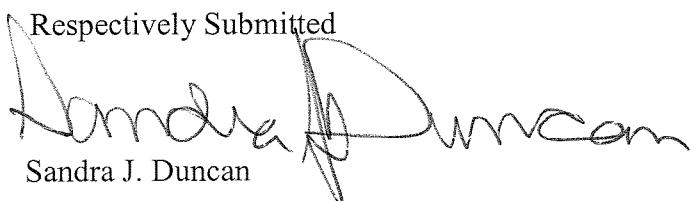
#### **VOUCHERS:**

Account #702 Operations - Voucher # 7349 to 7369 in the amount of \$26,316.88 were reviewed, approved and signed.

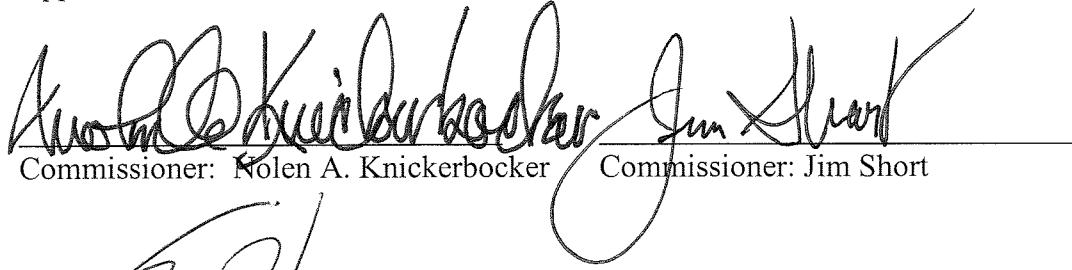
Account #742-Sewer - Voucher # 128 to 140 in the amount of \$134,593.40 were reviewed, approved and signed.

#### **ADJOURNMENT:**

The meeting was adjourned at 8:06 p.m.

Respectively Submitted  
  
Sandra J. Duncan

Approved:



Nolen A. Knickerbocker Jim Short  
Commissioner: Nolen A. Knickerbocker      Commissioner: Jim Short

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Eric Hansen  
Commissioner: Eric Hansen