

**MINUTES OF THE February 13, 2012**  
**FREELAND WATER and SEWER DISTRICT**  
**Regular Meeting**  
**Freeland Library**

Present: Commissioners Hansen, Malzone and Abrahamson

Andy Campbell – Certified Operator  
Gary Hess-Davido Consulting Group  
Sandy Duncan – Administrative Assistant

Attendees: John H Brunke, Al Peyser, Chelle Brunke, Martha Randall, Emyle Malzone, Bill and Gillian Lewis, Carol Hanna, Meg Wingard, Bob Hunter, Keith Tester Mike and Kathleen Gregory and Jim Santroch-Tetra Tech.

**CALL TO ORDER:** 5:48 p.m. Followed by the Pledge of Allegiance.

**PUBLIC COMMENT – WATER:** Keith Tester from the Holmes Harbor Mobil Home Park stated he has complained sever times that the Mobil Home Park billings are miss-calculates and are being overcharged with no response. In 2010 and 2011 they were overcharges by almost \$4,000.00. The Rules and Regulations of the Freeland Water and Sewer District clearly lay out the two billing categories, commercial or residential. He read the definition for Commercial & Industrial property (page 1) the last line of the definition “and any and all other structures of facilities not exclusively used for residential purposes. On page 3 - Residential Property shall refer to those properties or premises intended for human habitation and on page 2 Living Unit or dwelling Unit shall mean a single family living area including a single family residence, an apartment, motel or hotels unit or trailer or mobile or manufactured home site” on page 26 of the District rules is the mathematical formula to calculate the multifamily residential units served by a single meter, which they are. He added that at the January 9<sup>th</sup> meeting Sandy Duncan disclosed the she does not use the multifamily rate on the mobile home park, this needs to stop. At the budget meeting there is a purchase for 1.2M for the water supply for Freeland which has no demand for and neither the need. Keith respectfully asked that chairman to put his vote where your month is and he urges the board to not renew the CPA contract.

**APPROVE AGENDA:** 1 items was added to the agenda, Item #5 approval of the minutes

ACTION: Commissioner Malzone motioned adoption of agenda as amended and also deleting item #6i. Commissioner Abrahamson 2<sup>nd</sup>. Motion passed.

**APPROVE MINUTES:**

ACTION: Commissioner Malzone motioned to approve the minutes of the December 20, 2011 and the January 30, 2012 minutes. Commissioner Abrahamson seconded and motion passed.

**WATER-UNFINISHED BUSINESS:**

1. Well #3 Treatment Plant status. Andy reported that the treatment plant at well #3 is up and running. He is awaiting a replacement valve. Once installed the reservoir will be cleaned and then we will send notice out to our customers as to when the flushing will occur.
2. Legal representative selection. Commissioner Hansen reviewed that we received 3 proposals, he has been in contact with all 3 plus Inslee-Best. Commissioner Hansen will contact the firms interested to schedule appointments the week of March 7th. Sandy was asked to verify if interviewing legal representation is an open public meeting.
3. Multi-Family water rates. Commissioner Abrahamson passed out her proposed changes to the rates of Multiple Unit Residential to include Mobile Home Parks.

ACTION: Commissioner Abrahamson motioned to adopt the changes to the FWSD rules and regulations to reflect that all multi-family condos, mobile home parks be included in the residential class of customers and that the consumption be based on each units consumption rather than the consumption of the whole. Commissioner Malzone seconded the motion.

Commissioner Hansen suggested that the definition be changed to clarify and to include mobile home units and he requested that each commissioner review the definition and language for review at the workshop on February 18, 2012. Upon discussion it was agreed to tabled discussion to workshop on February 18, 2012.

4. Improvements to Website-design changes/updating. It was discussed that all changes to the website be approved by the Board for approval prior to the changes on the web.
5. 2012 Capital Improvement Program.

ACTION: Commissioner Malzone moved to adopt the Freeland Water and Sewer District capital improvement plan to include the projects listed on the 5-year operations capital plan. Commissioner Abrahamson seconded, motion approved.

Andy will prepare a list of the capital improvement items needed for Harbor Hills to be presented at the next meeting.

6. 2012 Budget.

ACTION: Commissioner Malzone motioned to approve the 2012 operations budgets for Freeland Water and Sewer District and Harbor Hills Water System as presented in the February 13, 2012 package. Commissioner Abrahamson seconded and the motion carries.

It was also agreed to add to the March 12<sup>th</sup> agenda, the Harbor Hills Capital Improvement plan and items #6, 8 and 9 on the 2012-2040 Capital Improvement program listed in the Comp Plan that were suggested by Gary Hess for the Freeland Water and Sewer water capital plan.

7. 2012 workshop schedule. Sandy reviewed that she has talked to Trinity and the class room is available the fourth Thursday on each month. The Library will only allow one scheduled meeting per month, however the room might be available on an on-call basis. Upon discussion it was agreed to reserve the Trinity class room for the next 4 month and then see if we will need it after that.
8. Resolution 12-02 fund transfer.

ACTION: Commissioner Malzone motioned to adopt resolution 12-02 transferring funds from Construction account to the Operations account. Commissioner Abrahamson seconded the motion, motion passed.

#### **WATER-NEW BUSINESS:**

1. House Bill 2291. Commissioner Malzone reviewed the bill and it will be addressed in the next Legislative session.

Commissioner Abrahamson passed out information on House Bill 2267 that will have an affect on our sewer project if passed.

Commissioner Hansen requested that items for discussion at the meeting need to be included in their packages in order to have ample time to review in order to discuss at the meetings. Commissioner Abrahamson passed out information on House Bill 2267 for discussion at the workshop on February 18, 2012.

2. Role of Auditing Authority. Tabled to workshop February 18, 2012
3. Tasks of Secretary/Treasurer. Table to workshop February 18, 2012
4. Comparison of Admin, Billing and Accounting between water districts. Tabled to workshop February 18, 2012. Marilyn also passed out comparison of costs.
5. Business cards for Commissioners/name plates for meeting. Commissioner Abrahamson created and printed up business cards for the commissioners. She will also have name plates made up for use at the meetings.

#### **COMMISSIONER REPORTS:**

Commissioner Hansen: Reported on legal services, item #2 under unfinished water business.

Commissioner Malzone: Reported that he has been in contact with DOE regarding administrative cost of the legislative proviso and administrative costs can be included in the scope of work. Commissioner Malzone will be working with DOE on the submittal of the scope of work for the legislative proviso.

Commissioner Abrahamson:

1. Newsletter-she has been working on, however she would like to wait until the outcome of the continuation of the meeting on February 18<sup>th</sup> before she presents to the board.
2. Rural Economic Grant Funding status. She has been in contact with Elaine Morrow on the re-submittal of approximately \$26,000, about \$10-12,000 was denied, she has not received a formal letter from Elaine. Commissioner Abrahamson also noted that Elaine is very open to various arrangement with the District, possibly open to working out some type of deal, where we payback what we have or ask for some type of consideration on the amount on the land. This will be ongoing and Elaine is work with County's Attorney and Elaine also requested that she work with one person on the board to negotiate on the payback.

ACTION: Commissioner Malzone motioned the Freeland Water and Sewer District Board of Commissioners authorize Commissioner Abrahamson to represent the District to negotiate with Island County and to present to the Freeland Water and Sewer District Board of Commissioner for an equitable solution to repay the \$560,000 plus interest owned for the purchase of the Trillium 80 acres. Commissioner Abrahamson seconded the motion, motion passed.

Andy Campbell: MAINTENANCE REPORT – Available for public inspection

1. Well #3 Auto Dialer repaired.

Sandy Duncan: ADMINISTRATIVE REPORT: Available for public inspection

**SEWERS UNFINISHED BUSINESS:**

1. Citizens Advisory Committee (CAC)-John Brunke reported that they are still working on population, updating the comp plan and cost estimates. Commissioner Malzone reported that he has talked to the Freeland Chamber and they have re-affirmed their support for the project and will become more active in the process. Commissioner Hansen inquired about what is happening on the water re-use portion of the sewer project. John responded that that the CAC is not looking at wetlands now, but are instead looking into an outfall to Holmes Harbor.
2. Amendment #4 – Tetra Tech Contract.

ACTION: Commissioner Malzone moved to approve Amendment #4 of the Tetra Tech Contract. Commissioner Hansen seconded and the motion passed. Commissioner Abrahamson opposed.

Commissioner Abrahamson stated “that she is not prepared to continue relationships with Tetra Tech and has a very bad connection with Tetra Tech on what we have been through as a community. Not impressed with Tetra Tech on the water rate structure

and Katy Isakson.” Commissioner Hansen reviewed that the Board asked Katy to prepare options on rates; it was the Boards decision on the rates not Katy’s.

Commissioner Abrahamson noted for the record “that she does not agree with the continued association with Tetra Tech regardless of the past and their involvement with the District. She has certain obligations to the rate payers of Freeland and that includes the lack of sensitivity that was displayed by Tetra Tech Engineers in going along with this sewer project that has inflicted hardships on so many of the residents of Freeland and they were the prime mover behind this whole project and she does not feel comfortable with continuing a relationship with them.”

3. Amendment #3 – Davido Consulting Group.

**ACTION:** Commissioner Malzone made a motion to not accept the Davido Consulting Group contract Amendment #3 with the Freeland Water and Sewer District and to begin the process of selecting a new engineering consultant. The motion was seconded by Commissioner Abrahamson and passed. Commissioner Hansen opposed.

Commissioner Hansen inquired as to why the change of engineers. Commissioner Malzone explained that he does not believe Gary’s heart is in the project anymore. Commissioner Hansen asked if this was only concerning the sewer side of the District business. Commissioner Malzone stated that he does not have any objection to Davido supporting the District on the water side as long as it is only with Quin Clements. Commissioner Hansen noted that he does not agree and really values Gary counsel as well as an engineering; he is a really strong asset.

4. Hydrology & Hydrogeology report status. The letter to the DOE was reviewed and Commissioner Hansen noted that he preferred the letter that included the summary reports from Tetra Tech and Davido. Upon discussion the letter presented by Commissioner Malzone was signed.
5. Update on re-submitted invoices. Previously discussed.

**SEWERS NEW BUSINESS:**

1. Status of Freeland Comprehensive Sewer Plan. No Action.
2. Tasks of Secretary/Treasurer. Commissioner Abrahamson noted that considering the denied invoices submitted to the county she was thinking about preparing the invoices from now on and also delivering them to the County.
3. Administrative budget for \$3.5m legislative proviso. Commissioner Abrahamson reported that the funds can include administrative cost and can go back to July 2011 when the Governor signed the proviso. So the denied costs from July 2011 can be submitted. It was agreed that Commissioner Malzone will be the contact with DOE on the Legislative proviso.

4. Workshop - Commissioner Abrahamson explained the items for discussion at the workshop will be to define the multi-family rates, and she has also prepared a cost comparison between companies that provide administrative and clerical service by the hour and flat rate. She would like to discuss this in executive session on Saturday. It was discussed that only property acquisition, litigation and personnel matter can be discussed in executive session. Commissioner Abrahamson explained that the meeting to follow will be to take action on the multi-family rates and change the District Rules and Regulations. Sandy will verify is a public hearing on the change in rates is required.

**PUBLIC COMMENTS-SEWERS:** None

The meeting was suspended for executive session at 7:47 p.m. to discuss land acquisition for 10 minutes.

Regular session – was re-opened at 8:05.

Land Acquisition:

ACTION: Commissioner Malzone motion to authorize Davido Consulting Group to investigate with property owner on the size and ball park on price. Commissioner Abrahamson seconded and the motion passed.

**VOUCHERS: Reviewed, approved and signed**

Account #702: Maintenance & Operations, Voucher # 7599 to #77622 for \$27,548.39.

Account #742: Construction-Sewers, Voucher #196 to #198 for \$4,261.30.

**MEETING** was continued to Saturday February 18, 2012 at 9:30 a.m. in the classroom at Trinity Lutheran Church at 8:06 p.m.

Respectively Submitted



Sandra J. Duncan

Approved:



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Commissioner: Eric Hansen



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Commissioner: Lou Malzone



Marilynn Abrahamson

Commissioner: Marilynn Abrahamson