

**MINUTES OF THE October 10, 2011
FREELAND WATER and SEWER DISTRICT
COMMISSIONERS MEETING**

Meeting Place
Freeland Library
5495 South Harbor Avenue
Freeland, WA

In Attendance:

Commissioner – Nolen Knickerbocker
Commissioner – Jim Short

Commissioner – Eric Hansen

Andy Campbell – Certified Operator
Sandy Duncan – Administrative Assistant
Gary Hess-Davido Consulting Group
Sign in sheet of addition attendee attached

CALL TO ORDER: Commissioner Knickerbocker called the meeting to order at 5:47 p.m. followed by the pledge of allegiance.

PUBLIC COMMENT-WATER:

Emyle Malzone asked if the treatment plant for well #3 been put in place. Commissioners Knickerbocker noted that he believes this will be completed closer to the end of the year and it is on the agenda for discussion.

Mitch Streicher voiced his concern regarding the issue of allowing an individual to obtain a temporary connection. He noted that he was not at the meeting; however he believes that it is wrong to disobey the law and wanted to know if the district installed a meter. Commissioner Knickerbocker noted that this item was also on the agenda and the District currently does not have a rule to cover irrigation on a plat for landscaping. The District does have the power to establish rules and or amend them. The proposed request was to approve temporary water for fire hazard and for irrigation. This item was just brought up at the last meeting and we will take this to the new attorney once one is selected. The district did not issue a temporary connection on the Patterson plat at this time. However the District is considering adopting some type of program/resolution that would address this issue. This was the first time this has ever been requested and we have no precedence established at this time.

Emily Malzone asked if the regulations are changed so a temporary connection can be allowed will something be published so people will know. They personally know of a private residence that approached the district and was told they could not have a temporary connection. She feels that it needs to be uniform as to whatever happens. Commissioner Knickerbocker noted that this request was for a newly developed plat to maintain the entry landscaping. Andy added that the District allows temporary connection for construction, contractors, company that hydro-seed and for construction for all sorts of project in the area including the Cenex project, State and County projects.

APPROVE AGENDA: A motion was made by Commissioner Hansen to approve the agenda. The motion was seconded by Commissioner Knickerbocker and passed.

APPROVE MINUTES: A motion was made by Commissioner Hansen to approve the minutes of the September 12, 2011 meeting as amended. The motion was seconded by Commissioner Knickerbocker and passed.

OLD BUSINESS:

1. Joanne Drive-Main Replacement. Andy reported that we are advertising for our small works roster before sending out packages for bid. Andy added that he would like to include the Beauregard project from the capital improvement list at the same time. This would be to connect a 2" crossing to a 4" main where we are consistently having problems due to an inferior product.
2. Flag pricing. No Activity.
3. Temporary Connection irrigation. Already discussed during public comments.
4. IACC meeting. Commissioner Knickerbocker noted that the IACC conference is an avenue for obtaining funding information on water as well as sewer. Gary noted that at this time we have no major water projects planned. Commissioner Hansen noted that it would be good to attend. Commissioner Knickerbocker added that it was his understanding that Chet was going to pay his own way. Gary noted that he and Chet would both be going over and back the same day.
5. Legal representation selection. Sandy reported that we have received packages from three companies and Gary, Chet, Sandy and Commissioner Hansen will be reviewing and making their recommendation to the Board at the next meeting. Commissioner Hansen suggested we should distribute them to Commissioners Knickerbocker and Short also.

Chelle Brunke asked if we currently have legal representation, Commissioner Knickerbocker noted that we still have Al Hendricks who is retiring. Gary noted that we are in the process of selecting legal counsel, we advertised for Statement of Qualification and are now in the process of review and recommendation. Chelle asked if the interviewing would be a public process and Gary responded yes if all commissioners were present. However, the issue of scheduling all commissioners to attend is a scheduling issue. Commissioner Hansen agreed to interview the three firms and maybe the other commissioner could attend by phone. The proposals ranged in cost from \$165 on the low end to a high of \$400. The commissioners agreed to have Commissioner Hansen do the interviews.

Al Peyser stated that both the other sewer district in the area have legal counsel already and asked if they have been contacted or if at all interested. Commissioner Knickerbocker noted that if we are to work with the other districts in the future it might be a conflict of interest to use the same firm.

6. Engineering/certified operator formalization. Gary reviewed that this item has been on suspense since 2009 where it was discussed that the roles and duties identifies between Sandy, Andy and the engineer. He prepared a proposed list of duties and then there was not further discussion. Gary reviewed that in a meeting in 2009 Commissioner Hansen requested that this be formalized. Gary asked how the district wants to formalize the job descriptions (whether we add a description to the district rules, just put in the file, etc). Commissioner Hansen suggests that this would be a good item to ask in the attorney selection process this question.
7. District Clerk-Administrative Procedural Manual/training. Sandy reported that we have hired more support staff at Edwards and Associates and they are now crossed trained in billing, vouchers, minutes and a majority of other district activities. She added that she is still working on written procedures.
8. Well Head Covenants-Harbor Hills. Sandy noted that we need to adopt covenants for protection of the wells at Harbor Hills as part of updating their comp plan. This has been an item in suspense since September 2009. She noted that this could possibly be completed with the new legal counsel. Andy reported that Island County Health has a standardized form available. Sandy will research and complete the County form and add this item to the agenda upon completion of the paperwork.
9. Harbor Hills Engineering certification and submittal to Washington Department of Health on completion of Treatment Plant items. Andy noted that upon purchase of the Harbor Hills system certain items were not completed as stated and still need to be completed. Commissioner Hansen requested that a copy of the items be provided to the commissioners for review at the next meeting, including cost and proposed schedule of completion in order of importance.
10. Treatment Plant. John Chaffins asked about the dirty water that he and his neighbor are getting. Andy explained that well #3 has elevated levels of minerals and they are working on the installation of the treatment plant. He is still awaiting a pressure valve and expects to have the plant up and running by the end of the year. Once completed the entire system will be flushed to clean the pipes. It was also noted that the district will send notification to all district customer as to when the flushing will occur. Andy estimated that it will take one or two days and there will be a drop in pressure during the flushing. The notice will include directions on how to clear your water line in the event you used water during the flushing in your area.

NEW BUSINESS:

1. 2012 Budget-capital improvement. Sandy noted that she added this item to see if there were any items on the Capital Improvement Plan (CIP) for water that the commissioners would like to schedule for 2012. Commissioner Hansen suggested that Andy prepare a priority list of projects to be discussed at the next meeting. Item #6, the intertie between Honeymoon Bay and Bercot, was discussed and it was noted that this item was suspended until the annexation of Harbor Hills. It was also noted that several of the projects are ongoing such as replace failing hydrants and water

meters, and the conservation program. Gary suggested that item #8 be a high priority. This concerns replacement of the main water line from the tanks to Freeland. If that line breaks. The tank could drain in a matter of minutes. Commissioner Hansen asked if Gary could provide maps and descriptions on the CIP projects for review at the next meeting. Gary will also send a pdf of the maps to the commissioners. It was agreed to add item #8 to the proposed budget for next year. Commissioner Hansen also asked if both Andy and Gary would submit their top 5 or 6 projects via email to the commissioner at least a week prior to the meeting.

2. St. Augustine's Easement and Facilities Agreement. Sandy reviewed that we have received the as-built plans and easement and facility agreement for final approval of the project. Andy noted that he has reviewed and the as-built plans and the agreement is our standard agreement. Commissioner Hansen requested the full copy of the agreement be submitted for review by the commissioner prior to approval. Sandy will scan and submit copies of the agreement to the commissioners.

OTHER REPORTS:

1. Maintenance report. Andy reviewed his report. A copy is attached.
2. Administrative report. Copies of Sandy's reports are attached.

SEWERS:

1. Citizen Advisory Committee (CAC) – Report

John Chaffin's reported in Lou's absence that the biggest problem is where is the clean water going to go. John noted that another idea from Al Peyser is suggesting a way to use your lot and get paid to accept waste water. This is not unlike PSE buying back electricity, here you have perkable sand and you accept wastewater from Freeland. . The CAC will be developing and costing out what a collection system would look like for the business core and that is in the works. Even to implement the proposal to use the Trillium property, it would be take a pipe and controls to get the water there using high pressure lines; it would cost \$6 million even if you use a smaller system. All they are doing is looking at other alternatives.

Pat Wilkerson asked what type of chemical would be used to purify the water and when the reclaimed water is used how much residual chemicals are left and how does that effect the environment? Gary explained that the treatment process is combination of biological and physical processes. The biological process uses bacterial to consume and remove the waste product and the physical system uses a coarse membrane to filter out all the biological material and what comes through is clear water. Then you have some options, you must disinfect in accordance with state health requirements - you can use ozone, chlorine or ultra violet light. The proposed system would have use ultra light which does not leave any residual chemicals or add any chemicals.

Emyle Malzone asked if the EPA will allow the use of chlorine in drinking water and said it is a carcinogen. Gary acknowledged that when you add chlorine to other chemicals

they can form carcinogens, but without chlorine we would be dealing with diseases such as typhoid and cholera.

Emyle asked how much the addition of purple pipe would add to the overall cost of the project. Gary gave an example from the current plan that would add roughly \$1.8 m to the project to bring water back to Freeland for a distribution system. Commissioner Knickerbocker pointed out that purple pipe inside the home is yet to be approved by the state. Mike Gregory state that this can be done locally, right on your own property now. Gary and Commissioner Knickerbocker asked if Mike would be willing to share this information and he agreed to get this to Gary.

2. IACC meeting. Gary reported that he and Chet will attend at their own expense. They will update the funding team at 3:50 and attend a roundtable discussion regarding NMUGA infrastructures funding right. Gary noted that there are several other municipalities required to provide infrastructure in the State; like Freeland, they are all trying to make it happen and make it affordable.
3. Hydrogeological Study. Gary reported that the final reports came today. He will add a cover letter and get the report to the District tomorrow. The study determined that the 80 acres has a capacity of about 200,000 gallons per day for reclaimed water. Gary noted that the property perches to about 10 feet and it will be good for about one half of the entire build out of Freeland. Commissioner Hansen asked if Gary thought that the rest of the Trillium property would have the same characteristics but Gary didn't know. Commissioner Hansen also asked if Gary thought the cost to examine the trillium property would be similar, again Gary could not guess as to the cost. Emyle state that she has talked to Jerry Stonebridge and he has dug pretty extensively around that property so before engaging someone else, he might be a pretty good reference.
4. Mike Gregory pointed out the County did a hydrogeology study and spent a lot of money on it for the entire county. Mike also asked why we did not do the study prior to purchasing the property. Commissioner Knickerbocker explained that the owners would not allow access to the property for the study. Gary explained that this site was the original site selected and approved by the Sub Area Planning group for reclaimed water.

PUBLIC COMMENTS-SEWERS:

Mike asked how much have we spent of the sewer project. Commissioner Hansen stated that we have spent about \$1 million on land and about \$1 million on planning and engineering.

Meg Wingard from Holmes Harbor stated that they have 63-64 acres of golf course and they use that to disburse their treated water. The reclaimed water is sprinkled on the golf course and evaporates and was never intended to go back into the aquifer. The point is that weather determines how much reclaimed water can be applied to the land.

Marilynn Abrahamson asked if the District planned to have collection aeration ponds on the 80 acre site and what the cost would be. Gary responded that in the preliminary engineering report there is a holding pond for weather periods when the ground is saturated or frozen that would provide about 14 days of storage. The ponds would be lined.

Pam Neschke “state that for the record that it sound for all intent purposes that you plan to go forward with the \$40m project, that part of that is the creation of an LID and it sounds to her like something that the people don’t want and she certainly doesn’t want or need a sewer system or water system in that she is on a perfectly good septic and water well that are approved by the county and she thinks that it is a waste of tax pay dollars to pursue, she thinks it ought to be stopped. She thinks we have a very good CAC committee that are researching other options and the LID and \$40m project should be stopped, not a penny more spent on it and allow the CAC to pursue the other options and also along with that of what she has heard of the CAC workshops minutes is to allow the commercial core to participate as they chose to and leave the residents out of it until the residence choose, usually from what she has read the LID is formed by a majority or percentage of the acreage area the residences chose to create an LID ad have a sewer. Their maybe a time for that, maybe you folks on Bercot need that, she thinks that’s great, she is not against sewer, she just does not need one right now. and neither do a majority of the first phase people, If the commercial core people need it great, but from what I have talked to a number of business people that are not for it either, so I don’t see where you back is and I want to go on record saying I think it is a waste of your money.”

Chelle Brunke stated for the record “that it is her firm desire to bag the LID at this point. She has been opposed to the sewers from the inception; she is a member of POOPS and FAIRS. She got into this because she heard what was going on and she sat down and did the math and she realized that a lot of people would definitely be kicked out of their homes because of the number of dollars involved in septic and their ability to use their property. Some people when she was working on the protest of the LID she contacted at least 50 people, 25 at least by phone and talked to a lot of different people on what the impact would have on them, she talked to at least two women that were older living on fixed incomes one who lived in Langley but she was certainly being impacted economically by you, she has a rental property and uses that property for income and imagine what will happen to the renter if she had to raise her rate to accommodate the assessment you put on her property, do you have any idea what that assessment will do to her cash flow, she is on a fixed income she was crying, these are real souls we are talking about here not talking about collateral damage.” Commissioner Knickerbocker asked what numbers that she was using when talking to people since we have never given that out.

Commissioner Hansen reviewed that the district has not talked about imposing this sewer on the citizens. He said when they realized the money was not going to come through from the USDA or from other sources the commissioners realized that the project couldn’t move forward. There was never any intent to impose that kind of burden on the property owners so the commissioners have scaled way back on our efforts except for the hydrogeology study. Commissioner Hansen added that one of the suggestions from Lou at the last meeting was to rescind the Resolution of intent to form an LID. However he would first like to understand what rescinding the resolution would have on our fundraising ability. He added that we have never had any intention of imposing that \$40m burden of the citizens of Freeland.

Several people in the audience requested that the District repeal the resolution of intent to form an LID. Commissioner Knickerbocker noted that he feels that we need to have an attorney opinion on that item first and to also see what the IACC says.

Mitch Streicher stated that at the last workshop the LID resolution was discussed and that it would be brought up and the next meeting but it was not on the agenda. Sandy noted that this was her error in that she was not at the last meeting and the agenda went out prior to receiving an email for Lou on this issue. It will be on the next meeting agenda.

John Brunke stated that on the agenda you have an executive session to discuss easements, and requested that the District not spend any more money until the CAC comes up with an alternative plan. Commissioner Knickerbocker noted that whether we use the 80-acres or not, access easements will only enhance the sale value of the property. He also noted that there will be no executive session tonight.

Commissioner Knickerbocker added that if it is recommended by the CAC and the board concurs, the District could change the phasing back to the five phases and the LID could still be a tool we could utilize.

Emlye Malzone stated that she feels we should dissolve the current LID and determine what we are going to do and then form the LID as directed or as needed for whatever size that is would be.

John Brunke suggested it would be much more acceptable to the community if the resolution was rescinded and to do the LIDs by petition.

Al Peyser stated that if the district was looking at a sewer system for just the commercial area it would trigger a payback of \$2 million to the County. Commissioner Knickerbocker stated that it is his understanding that the \$176,000 the County gave the District for planning and preliminary engineering would be re-paid back if and when the District implements the plan that that money was spent on. Al wanted to know if the District has any liability if the district decides on a smaller phases. Chelle Brunke stated that per the Interlocal with the County the only money that would need to be paid back is that spent on land. Commissioner Knickerbocker stated that we have those funds in reserves in the event an LID is not formed.

Marilynn Abrahamson stated the state auditor report said that invoices have not been paid to the district since the beginning of 2011 and that approximately \$25,000 worth expenditures are supposed to be paid back by the district. She asked for confirmation that there is no money coming in to pay the various contractors. She also stated there are loans for \$185,000 obligated to be repaid with construction financing, an Island County feasibility study 2008 for \$91,700 obligated to repay with construction financing, and then the Chamber property owner of \$56,000 outstanding debt that was supposed to be paid back to them by credit from the LID assessment. She asked if the district has enough left of the Island County Rural Economic funds to repay these obligations that are supposed to be repaid from construction financing. Sandy reviewed that all the obligations are subject to formation of an LID and or completion of the project and we may also be able to re-negotiate with the county if needed. Marilyn also asked about the funds that are on hold with Island County. Sandy explained that the only funds that are on hold are from the draw request submitted in June 2011; they have not been paid because the County is waiting until completion of the audit. Commissioner Knickerbocker noted that we are also in the process of resolving this issue with the County.

The Board was about the status on the 3.5 million dollar grant from the State. Gary reported that he had just received a draft agreement from the Department of Ecology to complete part I of the grant agreement per DOE's request and he submitted it on October 6, 2011. Commissioner Hansen asked if we have submitted anything on the scope of work and Gary replied no because the scope is identified in the State Appropriation and the Grant Application.

Emily Malzone asked where the Freeland Chamber got the money for sewers. Commissioner Knickerbocker explained that the Chamber contacted business owners to see if they would be interested in supporting a sewer system in Freeland and collected donations in order for the district to proceed with a sewer system. Emily stated that most of the businesses do not want the sewers.

Mitch Streicher stated that he has not heard anything from the board as why we should have an LID or why we shouldn't have because of funding, although he believes that any sort of discussion is a waste of time because next month we will have a new board.

Emily state that the way the Growth Management Act (GMA) is written the mandate is to have a good plan, the economic condition are not conducive right now on a number of fronts to go into a lot of debt. Commissioner Knickerbocker state that the District was never going to burden the community; the LID was a tool to utilize to get more funding. Sandy added that it not just the GMA; the Sub-Area Plan also calls for sewers in Freeland.

VOUCHERS:

Account #702 Operations - Voucher #7505 to #7523 in the amount of \$18,558.66 were reviewed, approved and signed.

Account #742-Sewer - Voucher #183 to #186 in the amount of \$21,405.88 were reviewed, approved and signed.

ADJOURN MEETING:

The regular meeting was adjourned at 7:38 p.m.

Respectively Submitted

Sandra J. Duncan

Approved:

 

Commissioner: Nolen A. Knickerbocker Commissioner: Jim Short



Commissioner: Eric Hansen