

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
CEDAR RIVER WATER AND SEWER DISTRICT
Held December 20, 2011 .

A regular meeting of the Board of Commissioners of Cedar River Water and Sewer District of King County, Washington was held on December 20, 2011, at 3:30 p.m. at the District office located at 18421 Southeast Petrovitsky Road, Renton Washington. Commissioners Walter Canter, Charles Terwillegar and Wes Jorgenson were present. Also present were Attorney Richard Jonson, Engineer Marty Penhallegon, General Manager Ron Sheadel, Operations Manager Kirk Hunkeler, Construction Manager Mike Morris, Office Manager Sean Vance and Receptionist Janette Van Den Bergh.

Commissioner Canter acted as Chair and business was conducted as follows:

1. **Call To Order.** Commissioner Canter called the meeting to order at 3:30 p.m.
2. **Business from the Floor.** Customer Michael Luce was not able to attend, but is expected to address the Board at a future meeting. Mr. Sheadel informed the Board of the situation surrounding the connection charges owed on Mr. Luce's property.

3.-7. **Consent Agenda.**

3. **Minutes and Resolutions.** The minutes of the regular meeting of December 6, 2011 and resolutions adopted at that meeting were read and signed.

4. **Approval of District Vouchers.** Mr. Sheadel briefly reviewed the vouchers, and they were submitted for approval as follows:

Maintenance Fund Voucher numbers 48857 through 48905 in the amount of \$408,126.26, for General Services and Merchandise.

Construction Fund Voucher numbers N/A through N/A in the amount of N/A for services related to the 2004 Public Works Trust Fund Loan.

Construction Fund Voucher numbers N/A through N/A in the amount of N/A for services related to construction of the East Area Well.

Construction Fund Voucher numbers 48906 through 48909 in the amount of \$104,570.22 for services related to the CRWSD Construction 2010 Bond Fund.

Construction Fund Voucher number N/A in the amount of N/A for services related to implementation of the vulnerability assessment and enhancement of security at the District facilities. The vouchers and expenditures in this account are restricted, will not be made public, and are not subject to requests made under the Open Records Act.

5. **Customer Count and Financial Report.** Mr. Sheadel presented the customer count and the financial report to the Board for their review.

6. **Shut-off Hearing/Approval of Shut-offs (18).** Mr. Sheadel informed the Board that there were eighteen past due accounts ready for shut-off and that the customers with the past due accounts were advised of their right to a hearing prior to shut-off. He stated that none of the customers had requested a hearing. Mr. Sheadel requested authorization to shut off service to all such accounts not paid by 8:00 a.m. on Wednesday morning, December 21, 2011.

7. **Leak Adjustments.** There were none.

After review of all items on the consent agenda, a motion was made, seconded and passed to approve all items on the consent agenda as submitted by District staff and management.

8. **Correspondence.** Copies of the Pipeline newsletter were distributed.

9. **Water Business.** There was none.

10. **Sewer Business.**

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a. Resolution 11-52, Fairwood Sewer Rehab, Increase Budget Mr. Sheadel presented a request from PACE for an increase in the engineering budget for the Fairwood Sewer Rehabilitation, Phase I project. A memo was provided by PACE outlining the additional work that was performed outside the original scope of the project. Due to this added expense, PACE is requesting an increase in the budget of \$25,000.00. A discussion regarding the project revisions took place. After discussion a motion was made, seconded, and passed to adopt a resolution approving a \$25,000.00 increase to the engineering budget for the Fairwood Sewer Rehabilitation, Phase I project.

11. General Business.

a. Status Report Mr. Penhallegon presented the status report and discussed the items that changed significantly from the last meeting.

b. Resolution 11-51, KC Voucher process, Resolution, Authorization, Adopt Internal Controls Mr. Sheadel presented the Board with King County's 2012 authorization form for voucher signatory approval. He proposed that the signatories remain the same as those on file for 2011. In addition to the signatory form, King County is requiring a resolution be approved if the District desires to authorize the issuance of warrants and electronic transactions prior to Board of Commissioners approval. Mr. Sheadel stated this authorization is sometimes needed depending on when meeting dates fall in relation to due dates for payroll and other obligations. K.C. provided a template for the resolution and Staff made modifications prior to Board submission. The County is also requesting a copy of the District's internal controls/policies for warrant issuance. A copy of the internal controls document was provided to the Board, reviewed and after discussion and upon motion duly made and seconded, they were approved as written. After discussion, a motion was made, seconded and passed to adopt a resolution appointing auditing officers for the purpose of authorizing the issuance of warrants and electronic transactions prior to Board of Commissioners approval. A motion was also made, seconded and passed to authorize and sign King County's voucher signatory approval form.

c. Resolution 11-53, Changes in Rate and Fee Schedule Mr. Vance presented the Board with a memorandum and explained proposed revisions to the rate and fee schedule as follows:

- 1) After hours reconnect fee increase from \$50.00 to \$100.00.
- 2) Add footnote for calculation of interest rate on delinquent accounts subject to lien. "Rate may not exceed maximum of prime plus 4% as stated in RCW 57.08.081(3)."
- 3) Establish a charge of 10 cents per document scanned or e-mailed when a request exceeds 10 total pages.
- 4) Increase the deposit required for all "complete" meter installations by \$500.00 to cover the cost of right of way permits and county inspection fees.
- 5) Increase the cost for street light charges (electricity usage only) in Maplewood Estates from \$1.82 to \$2.33 based on actual costs from PSE, plus 15% overhead.

After discussion, a motion was made, seconded and passed to adopt a resolution modifying and approving the Rate and Fee Schedule, in the form presented, to include the changes as noted, effective January 1, 2012.

d. Employee Compensation package Mr. Sheadel presented a memorandum that contained proposed 2012 salary and benefit changes and he explained the figures. Due to the current state of the economy and the District budget for the upcoming year, Staff recommends a COLA increase of 2.9% for all District employees and step increases for five employees that are eligible for those increases. Mr. Sheadel also stated that medical insurance premiums from PEBB

have increased approximately 3.2%. After discussion, a motion was made, seconded and passed to accept the recommendations of Staff, as proposed, for the 2012 salary and benefits package.

e. Use of Board Room Mr. Sheadel informed the Board of a request by the National Stormwater Center to use the District's boardroom to host two separate classes. The first class is a Certified Stormwater Inspector class and the second is an Erosion and Sediment Control class. It is expected that CEU's will be available and District staff may attend for free. A discussion took place regarding the use of the boardroom by those within the industry and the public. The Board determined that guidelines should be drafted for the use of District facilities and presented at a future meeting. The Board also requested to be notified whenever Staff authorizes its use. After discussion, a motion was made, seconded and passed to authorize the National Stormwater Center to use the boardroom to hold two classes, contingent upon feedback from the Risk Management Pool.

f. Authorize WASWD participation Mr. Sheadel presented the Board with an invoice from WASWD for 2012 dues and inquired if the Board would like to continue the District's membership. After discussion, the Board decided to continue supporting the efforts of the Association and approved the annual dues of \$12,389.87.

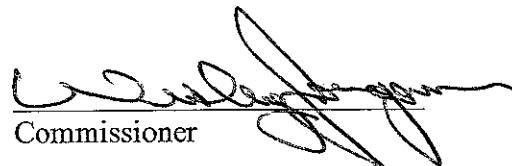
12. Management Comments. Mr. Sheadel stated that the invitations have been sent for the 2012 Legislative Reception.

13. Next meeting date and time. The next meeting is scheduled for January 3, 2012 at 3:30 pm.

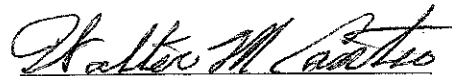
Upon motion duly made and seconded, the meeting ended at 4:29 pm.


President and Commissioner

Attest:


Commissioner


Secretary and Commissioner


Commissioner.