

SACHEEN LAKE WATER & SEWER DISTRICT

June 9, 2016

Location: Sacheen Fire Station

C/Pearman called the special meeting (due to lack of quorum on the 1st) to order at 6:00 pm with the pledge. Commissioners Johnsen, was also in attendance. Third Commissioner's position is unfilled. DM/Pearman was also in attendance.

-C/Pearman reviewed the meeting agenda.

C/Johnsen MM to approve the minutes of both the May 4 regular board meeting and the May 25 special meeting. C/Pearman seconded and the motion was approved.

-C/Johnsen read the letter of interest from Mike Quick to fill the open commissioner position.

C/Johnsen MM to accept Mike Quick's letter of interest and appoint him to fill the Commissioner #2 position. C/Pearman seconded the motion and the motion was approved.

-C/Johnsen swore C/Quick into office.

-Executive Session per RCE 42.30.110 110(l)(i) regarding pending or possible litigation for 20 minutes. At 6:30 another 10 minutes for executive session was announced. At 6:40 another 10 minutes was announced.

-Board returned to the regular meeting at 6:53.

-C/Johnsen presented recommendations from District representation Thad O'Sullivan for the CNI lawsuit seeking additional funds for the treatment plant. Proposal of a joint defense agreement with Sewell and their representation allows for continuation of attorney client privilege and saves money for the District by having their attorney lead.

C/Pearman MM for the Board to authorize DM/Pearman to sign joint defense agreement between the District and Sewell Engineering. C/Quick seconded the motion. Both C/Pearman and C/Quick feel that the joint defense agreement is in the best interest of the District. The motion passed unanimously.

OPERATOR'S REPORT: Nathan Johnson

-Aerators have been tested and are on line

-Lagoons 1 & 2 are up and running

-Lakeside calls have mostly been educational issues.

-The wet well passed leak test up to the top four gates that were remanufactured by CNI. They have been removed and anticipate their reinstallation in a week.

-Headworks building is operational with sewer running through it.

-Bypass pipe has been flushed and will be flushing the chlorinator so the laterals can be tested

-Letter of substantial completion was issued May 25 along with the final punch list that CNI needs to complete before retainage can be released.

DISTRICT MANAGER'S REPORT: Sheila Pearman

-March and April Salary Clearings for signature

General Fund

Hours for May
District Manager 93
Nathan Johnson 161

8 vouchers were presented for payment from the General Fund totaling \$8,528.08

Voucher #	Claimant	Amount	Description
16-39	PUD	\$ 327.52	Headworks & Lift Station Power
16-40	Workland Witherspoon	\$ 2,679.00	Claims Issues April Billing
16-41	G&M Backflow	\$ 32.28	Modification to HW Gate
16-42	Workland Witherspoon	\$ 3,901.00	Claims Issues May Billing
16-43	Valcon	\$ 64.56	Annual Propane Tank Lease Misc. Supplies, Tools, Fuel, Postage Etc.
16-44	Sheila Pearman	\$ 872.50	
16-45	SLA	\$ 169.47	District Share Scope Print/Mail
16-46	Correct Equipment	\$ 481.75	Standby Core Replacement Parts

1 vouchers were presented for payment from the LID totaling \$6,517.91

LID 16-14 JAS \$6,517.91

COMMUNICATIONS:

- SAO Appt. for assessment review
- McCaffrey/Ray, Rays are coming up next week and will start working on the stump removal
- Several conversations with prospective buyers
- Debbie Spencer request to change charge to stub fee

-Meeting times. C/Quick noted that he would be unable to make early meetings. DM/Pearman also noted that if meetings were changed to later in month, it might be advantageous for looking at the previous month's financials.

C/Johnsen MM to move the regular meeting times to the 2nd Wednesday of the month and to meet at 5:00. The motion was seconded by both C/Pearman and C/Quick. The motion was unanimously approved. The next meeting will be July 13 at 5:00.

-Discussion of need for additional policy development:

- Check with PUD and Diamond Lake for non-payment policies
- New Installs/Remodels/Revisions work up a straw man SOP
- Collections costs and progression check with smaller/newer systems

-C/Pearman noted possible opportunities for those who want to prepay the ECY portion of their assessment. The best approach would be to set up an escrow account or bank account that makes the payment automatically. Our bookkeeping system and the District should not be acting as banker.

-Working on a list of site rehab issues for the contractor to revisit. Would like to wait a bit to make sure we can cover all who have not been out yet.

ACTION REGISTER REVIEW:

- C/Pearman reviewed the action register

PUBLIC COMMENT/QUESTIONS:

-B. Hood notes that homeowners can do their own electrical installations and that there is a real estate listing on Fir Lane that apparently notes that the outhouse on the property has be grandfathered.

-L. Holman asks about the park maintenance. He and Jeannie did some mowing for us last week.

Nathan will be taking over the park maintenance

-D. Swimelar congratulates C/Quick but asks how many times has he been at meetings. C/Quick noted that he is aware of the issues and has the capability to represent.

Observation on Executive Sessions and asks why they aren't done prior to the meeting. Regulations require that they be part of a public meeting.

If the lawsuit is lost, will we have to pay more? Is it possible for the District to declare bankruptcy?

The cost for the LID would go up and no, the District will not declare bankruptcy.

Observation that does not think it is professional for dogs to be at the meetings.

-R. Prange asks if any effort has been put forth for arbitration or mediation. CNI does not want to mediate.

What if an escrow account is set up and the property is sold...suggested that he could research that.

Has heard complaints of smells from man holes

-D. Kanyer asks what the issue is with the lawsuit and when we can expect to pay additional money.

This will be determined through the legal process.

Has CNI turned over the system? As noted earlier the letter of substantial completion was issued May 25.

Why haven't we held Sewell responsible as she thinks it is their fault.

-R. Prange asks when we can pay the assessment off. Project needs to close out first.

-P. Zarko asks if our insurance can pay any costs of the lawsuit.

The next regular board meeting will be July 13 at 5 pm.

Meeting was adjourned at 7:55.

Sheila Pearman, District Manager