SEWER ADVISORY COMMITTEE
MEETING MINUTES
January 16, 2013

The Sewer Advisory Committee (SAC) met at City of Port Orchard City Hall, 216 Prospect Street and the meeting was called to order at 6:32 PM by Councilman Clauzon.

Those attending the meeting were Councilmembers Clauzon, Putaansuu, and Lucarelli; West Sound Utility District Commissioners Hart, Way, and Lundberg:, Mayor Matthes Assistant City Engineer Archer-Parsons, Interim Plant Manager Screws, and General Manager Wilson. Commissioner Screws was unable to attend.

Commissioners Hart, Lundberg, and Way were voting representatives of the District.

APPROVAL OF MINUTES

Commissioner Hart moved to approve the SAC minutes for the November 7, 2012 meeting. The motion, seconded by Councilman Putaansuu, passed unanimously.

MBR UPDATE

Interim Plant Manager Screws reported that Plant Staff have looked at alternatives for General Electric Water and Power (GEWP) and found that these would require engineering designs and major modifications. GEWP has agreed to extend the guaranteed membrane price to the end of January, or in the future to work with the plant to get a less than market value for replacement cartridges or a system upgrade. At this time there are not any spares to replace a cartridge should one fail. Councilman Putaansuu asked about replacing the cartridges as they fail, however Interim Plant Manager Screws explained this would place increased pressure and wear on the replaced cartridge. GEWP would be willing to do a payment plan, an agreement with interest, or allow the plant to purchase replacement cartridges outright.

2012 CAPITAL PROJECT UPDATE/GRANT FUNDING

Interim Plant Manager Screws reported that in the 2012 budget it allowed for $502,200 in grant funds and capital funding. At the end of 2012, $420,807 was spent, of which $73,715 of this was grant funding. The projects came in under budget and allowed upgrades to the disk thickener, non-potable booster pumps, lighting replacement, HVAC modifications, instrumentation upgrades, blower room filtration, a roll up door, an in plant pump station, rebuild the south secondary clarifier, and CAHTS modifications. Asphalt seal coating and window section replacement has been deferred at this time.

NPDES PERMIT

Interim Plant Manager Screws reported that the National Pollutant Discharge Elimination System (NPDES) permit is being modified by the Department of Ecology prior to its issuance to include the reclaimed water system. There are conditional requirements which will be placed into the permit pertaining to the reclaimed water which will need to be met for distribution approval. The current conditions Staff knows include the submittal of an updated Reclaimed Water Application along with an Operation and Maintenance Manual. Also, SKWRF’s current 30 year outfall lease with the Department of Natural Resources (DNR) will expire in January 2014. Interim Plant Manager Screws has initiated the process of renewal with the DNR.

SATELLITE SYSTEMS – STATE PARKS UPDATE

General Manager Wilson reported that the state parks have not been paying their bill the last several months, but wish to extend their agreement thru February to allow them time to find someone new to take
over the service. He requested the agreement by the last Board meeting of 2012 (December 17), but the proposed extension did not arrive until December 20, 2012. It is anticipated that the extension will be granted during the first meeting of January by the WSUD Commissioners.

SKWRF FIXED ASSETS/PUBLIC WORKS TRUST FUND LOANS

General Manager Wilson reported that the Public Works Trust Fund Loan’s Debt was transferred to SKWRF in 2007, however, there is not any backup to show the approval of the transfer in an agreement. He recommended that these two topics be addressed under the future governance discussions for resolution and future policy.

PLANT OPERATIONS/GOVERNANCE

General Manager Wilson presented a matrix comparing LOTT’s organizational structure to the current SKWRF structure. He reported that he has only found two forms of governance, a non-profit corporation (i.e. LOTT or 911) or a partnership which is what is informally in place now. He asked legal about if SKWRF is a legal entity, which it is since it has a Tax ID Number. The Committee agreed to look at the original agreement, amendment, policies and structure at the February Governance Discussion.

*General Manager Wilson is to send the original and amended agreement to the Committee prior to the February Meeting. He was also tasked with developing a synopsis of the history and identifying who owns which property pieces.*

FINANCIAL AUDIT EXIT CONFERENCE

General Manager Wilson reported that the auditor had finished the audit began in December 2012 and presented the report to Councilman Clauson, Treasurer Martin, Mayor Matthes, General Manager Wilson, and WSUD Financial Staff. No findings were found, however Treasurer Martin and General Manager Wilson are concerned regarding the accuracy of the fixed assets for SKWRF and will work to clean this up in 2013.

SKWRF TAXES

General Manager Wilson reported that during the financial audit it was discovered that the Business and Operating (B&O) Taxes and Public Utility Taxes for SKWRF have been overpaid for several years. SKWRF has the ability to request reimbursement of overpaid taxes back to 2008 with interest. It is anticipated that $212,000, plus accrued interest were overpaid during this process. If successful in receiving reimbursement, the funds will be placed into the fund balance account.

MEETINGS

The next meeting is 6:30 PM, February 20, 2013 at City Hall to discuss Governance.

Future meetings (as they are needed) are at 6:30 PM:

- City Hall: March 20
- City Hall: April 17

SAC meetings are typically the 3rd Wednesday of each month.

Motion to adjourn made by Councilman Putaansuu and seconded by Commissioner Lundberg. Motion passed unanimously. The meeting adjourned at 7:34 PM.
West Sound Utility District

Terry Lundberg

ABSENT
Jeannie Screws

James J. Hart

Susan Way

City of Port Orchard

John Clauson

Cindy Lucarelli

Rob Putaansuu

ABSENT
Jim Colebank

Tim Matthies