

SAMMAMISH PLATEAU WATER & SEWER DISTRICT
1510 228TH Ave. S.E., Sammamish, Washington 98075

Minutes
October 12, 2009

Commissioner Mary Shustov, President of the Board of Commissioners, called the Sammamish Plateau Water and Sewer District Board of Commissioners regular meeting to order at 3:05 P.M. A quorum represented by Commissioner Mary Shustov, Lloyd Warren, Robert Brady, Robert Abbott and Tom Harman was present. Also present were District staff Ron Little, Jay Regenstreif, Lisa Tobin, Angel Barton, Scott Jonas, and Asea Sandine. John Milne, District legal counsel, was also present.

ADDITIONS/ALTERATIONS TO THE AGENDA

- Commissioner Brady requested adding Retreat preparation to the agenda and Commissioner Warren requested an executive session for the City of Issaquah Litigation.

PUBLIC COMMENTS

- There were none.

CONSENT AGENDA

<i>Vouchers</i>				
#1	Maintenance Fund	09-082-0010	108235-108235	\$1958.50
Total				\$1985.50
➤ Motion: Commissioner Warren made a motion to approve the agenda as presented. Commissioner Brady seconded the motion.				
➤ The motion was passed unanimously.				

A. Lane vs. Seattle

Little reported staff asked Dave Finlay, FCSG to come and give the Board more information on the 2003 rate study and what other cities and districts are doing to comply with the Lane court decision. Little advised he and Barton met with representatives from the City of Issaquah and City of Sammamish to see if they had a plan to handle the charges. Sammamish does not have a utility tax and advised they are in a wait and see pattern. Issaquah reported the State Auditor's Office had informed the City they will be looking for the charge in next year's audit. Lynne came up with a higher rate per hydrant of \$500. Barton reported it all depends on if the District wants to use hydrants as basis for calculations. The meetings with the two cities concluded with the District advising this would be on the Board's agenda for the October 12, 2009 meeting.

Barton advised that the Board had asked for a range so Barton spoke with surrounding utilities and found the only one going forward with billing for fire hydrants now was Lakehaven who just received their rate study. Finley reported there are three methodologies that have been discussed, marginal, average, or a hybrid type method and that the 6.99% is similar to what Seattle uses.

A concern of the Board was various customer classes and whether the residential rates would be impacted. Finlay reported it is possible. He advised in Sammamish there is more single family than commercial and that the weight of the charge may get diluted.

The Board discussed handling the charge through a franchise agreement but had many concerns with incorporating franchise agreements into the discussion at this time.

Harman asked what cities would like to see and Finlay reported the cities would like to see the marginal methodology applied. He further added it is defensible and reasonable.

- **Motion:** Abbott made the motion to authorize and direct staff to bill entities based on the District's 2003 rate study and in consultation with FCSG to send out a billing based on hydrants with possible adjustment in 2010. Commissioner Harman seconded.

Discussion: Commissioner Warren advised he would like the Board to review the rate study and proposed bills to the cities prior to approval.

- **Motion:** Commissioner Abbott amended his motion to include the Board review the final bills at next week's meeting and subject to the Boards approval next week. Commissioner Harman seconded.
The motion was passed unanimously.

D. Capital Budget

Barton advised staff have been working on the capital improvement plan and wanted to update the Board as to the status. Barton handed out a summary of projects for the 2010. Tobin advised last year there were 31 capital projects done by operations and engineering, 2 of those were cancelled and 4 are waiting for development power. Barton reported there are no major changes and that figures will look much like the 2009 budget. Barton advised she will need policy direction from the Board on how to fund next year's projects.

B. CITY OF ISSAQUAH (20)

Commissioner Warren made a motion to convene an executive session to discuss the pending litigation with Issaquah. Commissioner Harman seconded the motion which carried unanimously. Before convening the executive session at 4:45 p.m. Commissioner Shustov advised that the executive session would be concluded at 5:00 p.m. At 5:00 p.m. the executive session was extended to 5:05 after public announcement. The executive session was concluded at 5:05 p.m. and open public meeting was reconvened.

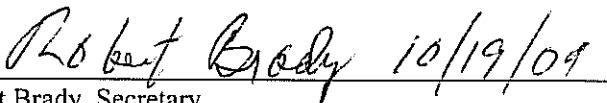
C. RETREAT

Little advised that he contacted Hilyer regarding facilitation of the retreat and she is available. He noted in the past the facilitator worked with the Board president to prepare the agenda. Little advised he purchased Senge books regarding the theory of a Learning Organization and felt that the Board should hold off on this until the District has hired a new General Manager who may have a different management philosophy. Little further advised he does not believe the District is weak in the areas outlined in the Senge book. Commissioner Warren would like to know more about the theory and Dr. Rossman before hiring Rossman for the retreat. The Board made modifications to the draft retreat agenda and directed that the revised agenda be emailed to the Commissioners.

Commissioner Harman advised that he attended the Tibbits neighborhood meeting and Lisa and Jay did a good job of explaining sewer 101.

ADJOURN

As there were no further persons to be heard, or business to discuss the meeting was adjourned at 6:00 P.M.



Robert Brady, Secretary