

**MUKILTEO WATER AND WASTEWATER DISTRICT
BOARD OF COMMISSIONERS MEETING**

Minutes of January 6, 2010

The January 6, 2010 Meeting of the Board of Commissioners was called to order at 7:00 PM in the District office.

PRESENT

Commissioners -- Ed Caine, Mike Johnson, Thomas McGrath,
Thomas Rainville and Joan Thomasson
Attorney -- John Milne
Engineer -- Mike Jauhola
Staff -- Dan Hammer, Sue Parks, Gil Bridges, Rick Matthews and
Mary Merriam

**APPROVAL OF
AGENDA**

Commissioner Johnson made a motion to approve the Agenda as presented. Commissioner Thomasson seconded the motion. The motion passed unanimously.

MINUTES APPROVED

Commissioner Caine made a motion to approve the Minutes from the December 16, 2009 Board Meeting with revisions as provided at the meeting. Commissioner McGrath seconded the motion. Discussion was held regarding the 2010 Budget topic. It was decided to leave the minutes as presented. The motion passed unanimously.

CONSENT AGENDA

After review of the Consent Agenda Items, Commissioner Caine made a motion to approve the items listed. Commissioner Johnson seconded the motion.

Commissioner Caine asked why a resolution is proposed to void a Developer Extension Agreement (DEA) but not to approve a DEA at the beginning of a project. Mr. Hammer and Mr. Milne explained that a motion in the minutes provides the same effect as a resolution. It is the District's policy to keep the Board informed as to where development is taking place within the District by providing DEA information and then receiving authorization for the President of the Board to sign the agreement. The policy when a project is completed or voided is to prepare a resolution for Board approval to track completion of projects, the transfer of water and sewer mains and appurtenances to the District for maintenance and operation, and the tracking of any refund to the developer.

The motion passed unanimously.

Vouchers

Water Maintenance Fund (741-5408666)
Beginning with 001 through 011 in the amount of \$15,487.80.

Water Maintenance Fund (741-5408666)
Beginning with 001 through 002 in the amount of \$13,058.46.

Water Maintenance Fund (741-5408666)
Beginning with 001 through 034 in the amount of \$19,732.69.

Water Capital Improvement Fund (741-5458666)
Beginning with 001 through 003 in the amount of \$7,013.32.

Wastewater P WTF Fund (741-58558666)

Beginning with 001 through 002 in the amount of \$106,924.94.

Wastewater Capital Improvement Fund (741-58468666)

Beginning with 001 through 005 in the amount of \$16,809.67.

Wastewater Capital Improvement Fund (741-58468666)

Beginning with 001 through 001 in the amount of \$1,237.60.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 001 through 005 in the amount of \$35,270.76.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 001 through 001 in the amount of \$464.10.

East Wastewater Capital Improvement Fund (741-59528666)

Beginning with 001 through 002 in the amount of \$849.63.

Delinquent Accounts

The Board reviewed the accounts listed as being delinquent and authorized staff to collect, disconnect or file a lien on accounts listed as delinquent in accordance with the District's policy.

Resolution 134-10

Voiding Developer Extension Agreement #464-Whytes Storage

This project was to make improvements to a commercial site in Mukilteo at 9012 40th Avenue West. The Developer Extension Agreement was signed in August 2008 and a deposit of \$2,000 paid. Due to the economy, the developer has decided to not make the improvements at this time. Mr. Whyte asked staff to close the project. Therefore, staff is requesting authorization to close the project and refund the remaining balance of \$1,425.44. By closing the project the developer will be required to provide a new Pre-Application and Developer Extension Agreement when development resumes; ensuring that the current owner will sign the latest version of the Agreement. Invoices were generated for any expenses the District had on the project such as developer extension agreement books, legal review of pre-applications, staff time, plan review, permits, etc. Staff provided Resolution 134-10 for Board approval and signing.

Approving Developer Extension Agreement #480 Mukilteo Presbyterian Church

The Developer/Owner submitted a Developer Extension Agreement for Board approval and signing. The Pre-Application and information received legal review to make sure it conforms to District requirements. The Developer is not requesting reimbursement. A deposit was estimated and paid for the project to cover District expenses including engineering, inspection, legal, permits and administration fees.

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NAME: Mukilteo Presbyterian Church, Ext. 475
ADDRESS: 4514 84th Street SW, Mukilteo
SIZE: Adding building to existing site
DEPOSIT AMOUNT: \$5,000

The developer will be making improvements to the water and sewer systems to provide service to his site. Plans have been submitted and will be reviewed once the Developer Extension Agreement has been approved by the Board. The President of the Board was authorized to sign the Agreement on behalf of the District.

BUSINESS ITEMS

ELECTION OF OFFICERS

Commissioner Thomasson made a motion to retain the existing officers of the Board of Commissioners for 2010. Commissioner McGrath seconded the motion. The motion passed unanimously.

Resolution - 135-10

Resolution 135-10 was signed by the Board.

AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR OLIVERS AND ASSOCIATES

Mr. Hammer reviewed his memo with the Board requesting that Mr. Oliver's Professional Services Agreement be increased by \$6,000 in order for Mr. Oliver's to continue assisting the District in completing the contract negotiations with Alderwood Water & Wastewater District and work with the District and the City of Everett to clarify whether the District could purchase Everett water through Alderwood Water and Wastewater District. Negotiating the water supply agreement has taken longer than originally proposed and the budget has been expended.

Commissioner McGrath made a motion authorizing the General Manager to execute an amendment to the Professional Services Agreement between MWWD and Clair Oliver's & Associates increasing the payment amount for consulting services by \$6,000; not to exceed a total of \$24,000. Commissioner Johnson seconded the motion. The motion passed unanimously.

REVISING MONTHLY WHOLESALE WATER RATES

The District presently purchases all its water from the City of Everett. The District's rate Resolution A-1599, provides Section 2.1. Automatic Rate Adjustments which states:

Resolution 133-10

"Whenever the City of Everett increases its wholesale charge for water or filtration, the District's base rate and volume charge for each customer class shall be automatically adjusted to reflect the increase."

This provides the District the ability to pass on the increase without the need to have a Rate Study, avoiding the loss of revenue during the study period. The 2010 rate increase to District customers is \$.13 per 1,000 gallons.

Commissioner Johnson made a motion to approve and sign Resolution 133-10, amending Section 2 of Resolution A-1599 revising monthly water charges and repealing Resolution 076-08. Commissioner McGrath seconded the motion. The motion passed unanimously.

BIG GULCH UPDATE

Mr. Hammer advised the Board that Pete Weber of HCWL informed him that HCWL is out of construction management funds. Mr. Milne and Mr. Hammer are reviewing the contract to make a recommendation on how to respond.

Mr. Hammer responded by letter to HDD Company's December 13, 2009 letter stating their claim on differing site conditions. A copy of the January 4, 2010 letter to Mr. Neil Swope, President of HDD Company, was provided the Board.

The sink hole has expanded but it is believed to be fixable in the spring. The slide appears to be stabilized at this point in time.

Rick Matthews inspected and provided a report on the manholes in Big Gulch to Mr. Hammer and Mr. Camp Fuller.

WASWD ANNUAL DUES

The District received the annual dues invoice from WASWD stating the amount for 2010 dues is \$18,172.56. The Board previously requested to discuss the Association membership before determining if the District would continue to participate.

Ms. Parks explained how the dues are calculated on units, which are based on ERU's.

Discussion was held regarding the cost of membership, the representation provided by the Association for all utilities, and questions and concerns the Board has of the Association.

Commissioner Johnson had a list of questions he would like written answers to before he votes on continuing membership. Staff will send a letter to the Association requesting written responses to the questions and place this topic on the February 17, 2010 Board Meeting Agenda.

EMPLOYEE JOB DESCRIPTIONS

Eight job descriptions were provided to the Board for review. These and three others were sent for the labor attorney to review.

Commissioner Caine stated that all job descriptions appear to have physical components that may appear to be discriminatory. Mr. Hammer stated that is why they are being reviewed by the labor attorney to make sure they meet all HR requirements.

Commissioner Johnson stated he would like all questions regarding the job descriptions be brought up now, not back and forth or after review by the attorney.

2010 BUDGET

The draft budget was presented to the Board on December 2, 2009. On December 16, 2009 the budget was discussed. The Board requested additional information and answers to questions. Commissioner Caine developed a list of questions. Mr. Hammer responded to Commissioner Caine's questions by providing the questions and answers to the Board in hopes his responses may answer questions other Board members may have.

Discussion was held. The Board expressed what they would like to see in the budget and indicated a special meeting is needed to discuss how they would like the 2011 Budget presented.

2010 EMPLOYEE SALARIES

Commissioner Caine stated he would like to have an executive session to review employee performance and related salary adjustments. Mr. Milne indicated the Board could go into an Executive Session to discuss those employee issues based on RCW 42.30.110.(1)(g) and RCW 42.30.140(4).

Commissioner McGrath made the motion to convene to an executive session to review the performance of various District employees and to discuss possible related pay grade adjustments. Commissioner Thomasson seconded the motion, which was carried unanimously.

Before convening the executive session at 8:35 PM, Commissioner Rainville advised that the executive session would be concluded at approximately 8:55 PM. The Commissioners, the General Manager, and Mr. Milne then attended the executive session. At 8:55 PM, by public announcement by Commissioner Rainville, the executive session was extended to 9:00 PM. At 9:00 PM, the executive session was concluded and the open public meeting was reconvened.

Following discussion, Commissioner McGrath made a motion to:

- 1) Approve a cost of living increase (COLA) in the amount of the latest available CPI for the Seattle-Tacoma area (.2%) for all District employees effective January 1, 2010.
- 2) Direct the General Manager to finalize all job descriptions with District counsel.
- 3) Have the District's HR consultant review the finalized job descriptions and update his pay grade matrix if necessary based on the updated job descriptions.
- 4) Direct the General Manager to then make recommendations to the Board for employee pay grades and potential salary adjustments for the Board's further review and approval.

Commissioner Caine seconded the motion. The motion passed unanimously.

**APPROVAL OF
OPERATION AND
MAINTENANCE
BUDGET**

Commissioner McGrath made a motion to approve the Operation and Maintenance Budget. Commissioner Thomasson seconded the motion. The motion passed unanimously.

**2010 CAPITAL
BUDGET**

Discussion was held on approving a portion of the Capital Budget. Commissioner Caine requested the items that need more discussion be identified.

Mr. Hammer reviewed and prioritized each budget item. Board members stated the items they would like to discuss further.

Commissioner McGrath made a motion to approve items in the 2010 Capital Budget as follows:

- (1) Beverly Park Rd Master Meter & Paine Field Booster Station
- (2) Harbour Pointe Blvd Master Meter
- (3) Reservoir #2 Interior Recoating
- (4) Mukilteo Lane Water Main
- (5) Westgate SCADA & Flow Control Improvements
- (7) Big Gulch Line Replacement-WWTF Bridge & Close-out
- (8) WWTF Flood Protection
- (9) Smugglers Gulch Access Road
- (10) Digester Aeration Improvements
- (11) Headworks
- (12) Outfall Improvement Study
- (13) Everett WPCF Improvements
- (14) Security Improvements to Administration Bldg
- (15) 620 Reservoirs Transfer Pump Meter
- (18) Prowler Easement Machine
- (19) Isco Flow Meter
- (20) Effluent Filter
- (25) Color Copier
- (27) Wastewater Comp Plan Update
- (28) Water/Wastewater Rate Studies
- (32) Lamar Drive Feasibility Study
- (35) Ancient Rights -of-Way Acquisition-7th and Park St

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Commissioner Thomasson seconded the motion. The motion passed unanimously.

By consensus, the Board agreed to hold a special meeting on Wednesday, January 27, 2010 at 7:00 PM as a work session to review the remaining Capital Budget items, provide staff with information on the presentation of the 2011 Budget and discuss the District's engineering services.

**GENERAL
MANAGERS GOALS
FOR 2010**

As requested by the Board, Mr. Hammer provided a list of suggested goals for 2010 with the projected month of completion. The Board approved the list of goals which will be signed by the President of the Board and the General Manager.

COMMISSIONERS REPORTS

Commissioner Thomasson stated that the Commissioner information on the web page needs to be updated.

Commissioner McGrath stated that former Commissioner William Allison passed away.

Commissioner Rainville stated that Commissioner Thomasson was the recipient of the Everett Zonta 2009 Founders Day award for her 18 years of volunteer service to the organization.

ADJOURN


There being no further business the President of the Board adjourned the meeting at 9:40 PM.



President/Commissioner Rainville



Vice-President/Commissioner Caine



Commissioner Johnson



Secretary/Commissioner McGrath



Commissioner Thomasson