

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

Minutes of January 20, 2010

The January 20, 2010 Regular 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
Engineer – Mike Jauhola
Staff -- Dan Hammer, Sue Parks, Gil Bridges and Mary Merriam

***APPROVAL OF
AGENDA***

Mr. Hammer requested that Item #4, Review & Discuss the City of Mukilteo's Request for Sewer Credit Adjustment be removed from the agenda.

Commissioner Thomasson made a motion to approve the Agenda as revised. Commissioner McGrath seconded the motion. The motion passed unanimously.

***MINUTES
APPROVED***

Commissioner Johnson made a motion to accept the Minutes from the January 6, 2010 Board Meetings. Commissioner McGrath seconded the motion. The motion passed unanimously.

CONSENT AGENDA

After review of the Consent Agenda Items, Commissioner Johnson made a motion to approve the items listed. Commissioner Thomasson seconded the motion. The motion passed unanimously.

Vouchers

- Water Maintenance Fund (741-5408666)
Beginning with 001 through 039 in the amount of \$380,356.85.
- Water Maintenance Fund (741-5408666)
Beginning with 001 through 001 in the amount of \$7,136.80.
- Wastewater PUTF Fund (741-58558666)
Beginning with 001 through 002 in the amount of \$193,553.00.
- Wastewater Maintenance Fund (741-58408666)
Beginning with 001 through 001 in the amount of \$1,053.06.
- Wastewater Maintenance Fund (741-58408666)
Beginning with 001 through 008 in the amount of \$25,095.33.
- Wastewater Capital Improvement Fund (741-58468666)
Beginning with 001 through 007 in the amount of \$58,131.20.
- East Wastewater Maintenance Fund (741-59418666)
Beginning with 001 through 001 in the amount of \$543.36.
- Wastewater Maintenance Fund (741-58408666)
Beginning with 001 through 008 in the amount of \$4,462.62.
- East Wastewater Capital Improvement Fund (741-59528666)
Beginning with 001 through 001 in the amount of \$1,145.88.

Approve Discharge Monitoring Report & Noncompliance Notification

The Board reviewed the December 2009 Discharge Monitoring Report, the Noncompliance Notification letter and response from the Department of Ecology.

Adjustments to Customer Accounts

The December 2009 Adjustments to Customer Accounts form was reviewed showing 11 accounts being adjusted.

Connection Report

The December 2009 Water Service Connection Report was reviewed showing 2 new services for the month of December bringing the total to 106 for the year.

The December 2009 Sewer Service Connection Report was reviewed showing 2 new services for the month of December bringing the total to 75 for the year.

Customer Notice Tracking Report

The Board reviewed the December 2009 Customer Notices Tracking Report.

Approve Adjusting Salaries for District Employees

Resolution 136-10

At the January 6, 2010 Board of Commissioners Meeting a motion was made to approve the cost of living increase (COLA) in the amount of the latest available CPI-U (From Oct 2008 – to Oct 2009) for the Seattle-Tacoma area (.2%) for all District employees effective January 1, 2010. Staff provided Resolution 136-10 which increased salaries by the approved amount for the Board's review, approval and signing.

Investment Funds Report

The December 31, 2009 Investment Funds Report was presented and reviewed by the Board.

Manual Check Report

The Fourth Quarter Manual Check Report for October 1, 2009 through December 31, 2009 was presented for the Board's review.

BUSINESS ITEMS

***INTERIOR
RECOATING OF
RESERVOIR #2***

Built in 1985, the interior paint of Reservoir #2 is 25 years old. During the interior cleaning and inspection of the reservoir performed in 2009 substantial deterioration of the interior paint was identified as an issue that needed to be addressed in the near future. In the District's 2009 Water System Plan, Project S-1 is Interior Repainting of Reservoir #2. At the January 6, 2010 Meeting this was a project listed in the portion of the 2010 Capital Budget approved by the Board for an estimated cost of \$368,500. Gray & Osborne provided a Scope of Work to prepare plans, specifications and provide construction management services at a cost not to exceed \$33,600. Approximately \$12,000 of this cost is for a certified paint inspector for the project.

Discussion was held regarding the type of paint being used and on the cathodic protection. Mr. Jauhola advised the Board that the paint will be good quality Tnemec paint that should last 25-years. Mr. Hammer stated the cathodic protection for the reservoir will be addressed. Commissioner Johnson made a motion to authorize Gray & Osborne to develop plans, specifications and provide project management for the interior painting of Reservoir #2 at a cost not to exceed \$33,600. Commissioner Thomasson seconded the motion. The motion passed unanimously.

***TOTAL SUSPENDED
SOLIDS REPORT***

Mr. Bridges made a presentation to the Board addressing staff's efforts to tract the total suspended solids (TSS). He provided a graph showing the yearly average flows from 2003 through 2009 and discussed the projected flows as outlined in the March 1989 Hammond, Collier & Wade-Livingstone (HCWL) Wastewater Treatment Plant Expansion and Modifications Report prepared for Olympus Terrace Sewer District.

***CITY OF EVERETT
2010 ASSUMPTION
OF ANNEXED
ACCOUNTS***

The City of Everett notified Mukilteo Water and Wastewater District of their intent to assume customers in two annexed areas that have or will meet the 10-year timeframe by August 18, 2010. The City also asked if the District would consider transferring at this time accounts that would be eligible to transfer to the City in 2015. Mr. Hammer explained that the area has few accounts. Commissioner McGrath requested to see a map of this area.

Before accounts are transferred staff and engineering will need to identify the assets to be transferred, the fixed assets and their value will need to be located, maps prepared showing the assets being transferred, new legal description of the revised District boundary prepared, the estimated sewage capacity that needs to be retained and the excess capacity that can be sold to the City.

The District will need to determine if Holly Drive and the S-7 Lift Station should be kept and bill the city for sewage wheeled through their

system. Approximately 1,182 accounts will be transferred.

Commissioner Johnson made a motion authorizing staff to devote necessary resources to transfer annexed accounts to the City of Everett and bring information back to the Board of Commissioners for review and approval. Commissioner Thomasson seconded the motion. The motion passed unanimously.

***WESTSIDE
WASTEWATER
RATE INCREASE
SCHEDULE***

Previously, Gray & Osborne and Peninsula Consulting were requested to review the westside wastewater rate structure to bring the rates in-line with the eastside wastewater rate structure, reducing the number of customer classifications. All commercial classifications would be metered and also include restaurants and schools. The Paine Field Contract was reviewed to make sure the rate structure was adequate. Rates were reviewed taking into consideration the additional Big Gulch debt and the 2010 Operation and Maintenance Budget. Staff proposed a schedule for Board approval as follows:

Feb 3, 2010 - Presentation by Peninsula Consulting

Feb 3 to Feb 16, 2010 - Discuss with Paine Field rate impacts

Feb 17, 2010 - Report back to the Board

Mar 3, 2010 - Rate hearing

Mar 17, 2010 - Approval of Modified rate structure and rates

April 1, 2010 - Implementation of modified rate structure

The Board approved the proposed schedule.

WEB PAGE POLICY

At the January 5, 2010 Meeting discussion was held regarding updating the District's web page. Commissioner Caine had contacted Mr. Hammer and suggested a formal web page policy be created. The District's Finance Manager has been assigned the task of maintaining and updating the web site as an essential duty and responsibility on that job description. Staff is working with the web designer to be able to make changes easier and faster. Discussion was held. It was decided that a formal policy was not needed and staff will have agenda, minutes and updates on the web site in a timely manner.

MANAGEMENT REPORTS

The District received a letter from Alderwood Water and Wastewater District stating they were willing to negotiate selling their surplus

effluent filter to Mukilteo Water and Wastewater District.

Mr. Hammer approved Change Order #3 for an additional manhole riser and pipe anchors for a cost of \$3,710 on the Big Gulch Segment #3 contract.

COMMISSIONER REPORTS

Commissioner Thomasson stated she liked Mr. Hammer's letter to the WASWD. The letter and the Association's car policy is on their next meeting agenda to be discussed.

Commissioner Caine discussed attending meetings other than District Board meetings via teleconference. It was the Board's consensus to compensate Commissioners when attending authorized meetings via teleconference.

Commissioner Caine stated he would not be in attendance at the March 17 or April 20 Board of Commissioners Meeting. Commissioner Thomasson stated she would be absent on April 20th.

Commissioner Johnson thanked Gray & Osborne for the 2010 calendar.


Commissioner McGrath stated he had attended the Emergency Preparedness Meeting today at WASWD where long and short term goals were discussed as well as a presentation by the Corp of Engineers on the Howard Hansen Dam. Commissioner McGrath stated he would like to meet with Mr. Rick Matthews to discuss the District's long-term emergency goals, and the Board approved the meeting.

ADJOURN

There being no further business the President of the Board adjourned the meeting at 8:08 PM.



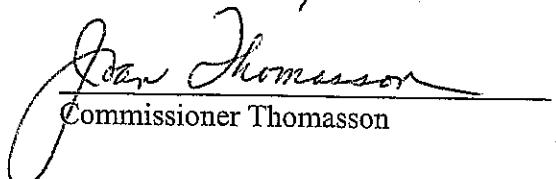
President/Commissioner Rainville



Commissioner Johnson



Vice-President/Commissioner Caine



Commissioner Thomasson



Secretary/Commissioner McGrath