

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

Minutes of March 3, 2010

The March 3, 2010 Regular Meeting of the Board of Commissioners was called to order at 7:00 PM in the District office as advertised.

PRESENT

Commissioners -- Ed Caine, Mike Johnson, Thomas McGrath, Thomas Rainville and Joan Thomasson
Attorney – John Milne, Inslee Best
Engineer – Tom Zerkel, Gray & Osborne
Consultant – Ashley Emery, Peninsula Consulting
Staff -- Dan Hammer, Sue Parks, Gil Bridges and Mary Merriam

***APPROVAL OF
AGENDA***

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

***MINUTES
APPROVED***

Commissioner Caine requested Page 3 of the Minutes, under Big Gulch Change Order #5, be revised to include that the District will have the District project geotechnical consultant review and approve the contractor's plan as stated at the meeting.

Commissioner McGrath made a motion to approve the Minutes from the February 17, 2010 Board Meetings with the change as noted. Commissioner Thomasson seconded the motion. The motion passed unanimously.

CONSENT AGENDA

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

Vouchers

Water Maintenance Fund (741-5408666)
Beginning with 1824 through 1831 in the amount of \$45,971.92.

Water Maintenance Fund (741-5408666)
Beginning with 1834 through 1856 in the amount of \$32,303.69.

Water Capital Improvement Fund (741-5458666)
Beginning with 1832 through 1833 in the amount of \$10,862.22.

Wastewater PWTF Fund (741-58558666)
Beginning with 1732 through 1732 in the amount of \$125.00.

Wastewater Maintenance Fund (741-58408666)
Beginning with 1734 through 1749 in the amount of \$41,904.84.

Wastewater Capital Improvement Fund (741-58468666)
Beginning with 1733 through 1733 in the amount of \$5,521.42.

East Wastewater Maintenance Fund (741-59418666)
Beginning with 0237 through 0239 in the amount of \$2,611.94.

East Wastewater Capital Improvement Fund (741-59528666)
Beginning with 0240 through 0241 in the amount of \$37,299.20.

Regular Payroll

Regular Payroll for February 2010 in the amount of \$138,986.45 was approved.

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.

Discharge Monitoring Report

The February 2010 D.O.E. Noncompliance Notification Letter was reviewed.

Transfer of Annexed Accounts – Scope of Work

The Board reviewed and approved Gray & Osborne's February 24, 2010 Scope of Work and Cost Estimate for the work to be performed for the transfer of annexed water and sewer accounts to the City of Everett in an amount not to exceed \$9,200.

Purchase Request – 2010 Vehicles

Staff was authorized to proceed with the purchase of three (3) Chevrolet Silverado K1500's off the State bid as approved in the 2010 Budget. The purchase price on the three vehicles including tax is \$82,135.23.

Investment Report

The January 2010 Investment Funds Report was reviewed and approved.

Employee Accomplishment

The Board authorized the President of the Board to sign a letter to Brandon Henson congratulating him on passing the Backflow Assembly Tester (BAT) Certification Examination and thanking him for his effort.

Approve Developer Agreements & Authorize Plans to be Signed

***City Bank, Ext. #466
Hegge SP, Ext. #481
Messak SP, Ext. #482***

Three Developer/Owners submitted Developer Extension Agreements for Board approval and signing. The Pre-Applications and information received legal review to make sure they conform to District requirements. The Developers are not requesting reimbursement. Deposits were estimated and paid for each project to cover District expenses including engineering, inspection, legal, permits and administration fees.

NAME: City Bank SP2007-02, Ext. #466
ADDRESS: 1010 Goat Trail Road, Mukilteo
SIZE: 2-Lot Short Plat (One existing house)
DEPOSIT AMOUNT: \$2,000

The developer will be installing water and sewer service for the newly created lot.

NAME: Hegge Duplex's, Ext. #481
ADDRESS: 118 & 119 105th Street SW, Everett
SIZE: Two duplexes
DEPOSIT AMOUNT: \$2,000

The developer will be installing water and sewer service to serve the two duplexes.

NAME: Messak Short Plat, Ext. #482
ADDRESS: 9016 Corbin Drive, Everett
SIZE: 2-Lot Short Plat
DEPOSIT AMOUNT: \$2,000

The developer will be installing water and sewer service for the newly created lot.

The President of the Board was authorized to sign the Developer Extension Agreements on behalf of the District and the engineer or General Manager to sign the plans once they meet District specifications.

BUSINESS ITEMS

***PUBLIC HEARING
ON WESTSIDE
SEWER RATES***

Commissioner Rainville convened the public hearing on proposed revisions of westside sewer rates.

Mr. Hammer stated that the notice of the Westside Rate Public Hearing had been published twice in the Everett Herald and the Mukilteo Beacon. Mr. Ashley Emery of Peninsula Consulting was hired to perform a Rate Study for the District.

Mr. Emery gave a presentation on his findings and answered questions.

Raising westside sewer rates is necessary to provide adequate revenues to cover debt service and depreciation funding to repay funds borrowed for the Big Gulch Interceptor Project. A 20% increase in residential and multi-family rates was recommended in 2010. A commercial rate structure was proposed that would revise the method of calculating the majority of commercial billing by the number of fixture units to a base charge, based on meter size and volume rates based on the 1,000 gallons used in a billing period.

Paine Field is the District's only commercial contract customer. District staff met with airport staff and explained the proposed revisions to the wholesale rate and advised them that staff would be recommending Paine Field be billed for the 500,000 gallons of wastewater treatment plant capacity as provided for in their contract. District staff recommended that the capacity charge increase be phased in with the 2011 rate increase.

Commissioner Rainville opened the portion of the Public Hearing for public comments at 7:51 PM. Mr. Andrew Rardin stated he was present on behalf of the Snohomish County Airport. Since the airport just became aware of the proposed rate increase they plan to hire a consultant to assist them in reviewing sewer rates and options available to minimize their costs and optimize performance of their system. Mr. Rardin requested if the rate increase is implemented that charges to the airport be delayed.

As there were no further public comments, Commissioner Rainville closed the portion of the Public Hearing for public comments at 7:54.

Discussion was held. Commissioner Caine requested clarification on the capacity charge for Paine Field being greater than the usage. It was explained that the treatment plant needed to be built and maintained to meet the heaviest demand from Paine Field. The capacity charge is addressed in the contract between Paine Field and the District.

Commissioner Caine asked Mr. Milne if he should abstain from voting on this topic since he is employed by Snohomish County. Mr. Milne advised him that as a Commissioner voting on rates of general application it was acceptable for him to vote.

Commissioner McGrath made a motion to authorize staff to develop a resolution as recommended by the consultant to implement the Westside sewer rates for consideration by the Board at the next regular meeting. Commissioner Thomasson seconded the motion. The motion passed unanimously.

***PURCHASING AND
CAPITAL BUDGET
POLICIES
RESOLUTION 137-10
AND
RESOLUTION 138-10***

Mr. Hammer recommended that the District's previous Operating & Capital Resolution and the Purchasing Policy Resolution be updated to reflect the legislature's amendment to RCW 57.08.050(1) increasing the amount of money that can be spent before competitive bidding and a contract are required from \$10,000 to \$20,000.

The major revision suggested to the Operating & Capital Budget Policy Resolution 137-10 is in Section 5 and 6 to increase the General Manager's ability to execute contracts and approve change orders from \$10,000 to \$15,000 respectively to \$20,000. Revisions to the Purchasing Policy Resolution 138-10 were in Section 5.6 to authorize purchase of material, supplies and equipment for budgeted items from \$10,000 to \$20,000, to increase emergency purchase authority from \$10,000 to \$20,000 and to increase authority to purchases items not identified in the budget from \$3,000 to \$5,000.

Discussion was held.

Commissioner Johnson made a motion to approve the Operating and Capital Budget Policy Resolution 137-10 and the Purchasing Policy Resolution 138-10 as revised. Commissioner McGrath seconded the motion. The motion passed unanimously.

***EMPLOYEE STEP
ADJUSTMENTS
RESOLUTION 139-10***

All employee job descriptions were reviewed and approved by the Board at the February 17, 2010 Meeting. Mr. Hammer recommended Brandon Henson and Matt Wright be advanced one step in the pay grade they are currently assigned. The approved 2010 Budget factored in the step advancement pay as proposed. The salaries would be effective as of February 24, 2010 to fall within the monthly pay period.

Commissioner Johnson made a motion to approve Resolution 139-10 adjusting salaries for two District employees as outlined in the resolution. Commissioner Caine seconded the motion. The motion passed unanimously.

ENGINEERING REPORTS

Mr. Zerkel reported that Gray & Osborne is working on the District's Reservoir #2 paint specifications. District staff and the engineer will soon be reviewing the specifications and will be requesting authorization from the Board to go to bid on the project.

MANAGEMENT REPORTS

Mr. Hammer reported that employee Roger Darling would be taking medical leave for a few weeks.

The District's Field Crew finished cleaning Reservoir #5 yesterday. The reservoir is being filled and is expected to be back in service next week.

There were some issues with the new payroll system. A few employees did not receive their checks until March 1, 2010. Steps are being evaluated to avoid this type of problem in the future.

Mr. Don Montfort requested pros and cons from the WASWD membership regarding General Managers being allowed to vote on issues at Association business meetings.

Alderwood Water & Wastewater District requested RFP's from meter vendors on automatic meter reading (AMR) systems. Badger and Neptune meter companies made the short list. Mr. Hammer stated that he is sitting in on the interview process so that MWWD may be able to avoid having an AMR study performed by a consultant, based on information obtained from the interviews.

COMMISSIONER REPORTS

Commissioner Caine stated he would not be attending the March 17th Meeting and asked to be excused. Following discussion, Commissioner McGrath made a motion to approve Commissioner Caine's absence. Commissioner Johnson seconded the motion. The motion passed unanimously.


Since the Mukilteo Lodge Restaurant opened next to the District office a couple weeks ago, vehicles have been parking in the District's lot. Discussion was held regarding liability and other issues. Mr. Hammer and Mr. Milne will study the situation further and report back to the Board.

ADJOURN

There being no further business the President of the Board concluded the meeting at 8:40 PM.



President/Commissioner Rainville



Commissioner Johnson

Vice-President/Commissioner Caine



Commissioner Thomasson



Secretary/Commissioner McGrath