

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

Minutes of March 17, 2010

The March 17, 2010 Regular Meeting of the Board of Commissioners was called to order at 7:00 PM in the District office.

PRESENT

Commissioners -- Mike Johnson, Thomas McGrath, Thomas Rainville and Joan Thomasson

Attorney – John Milne

Engineer's – Eric Delfel, Pete Weber & Camp Fuller

Staff -- Dan Hammer, Sue Parks, Gil Bridges and Mary Merriam

Audience – Paul Archipley and Ben Shegrud

Commissioner Caine previously advised the Board that he would not be able to attend this meeting and requested to be excused.

Commissioner Johnson made a motion to excuse Commissioner Caine's absence. Commissioner McGrath seconded the motion. The motion passed unanimously.

***APPROVAL OF
AGENDA***

Mr. Hammer advised the Board that on the agenda presented to them under Consent Agenda Item 2.5, Employee Accomplishments, he had added Bruce Wickler.

Commissioner McGrath requested Consent Agenda Item 2.8 be pulled and discussed as a Business Item.

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

***MINUTES
APPROVED***

Commissioner McGrath made a motion to approve the Minutes of the March 3, 2010 Board Meeting. Commissioner Johnson 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 1862 through 1896 in the amount of \$211,516.76.

Water Maintenance Fund (741-5408666)

Beginning with 1861 through 1861 in the amount of \$8,520.03.

Water Maintenance Fund (741-5408666)

Beginning with 1758 through 1769 in the amount of \$7,067.08.

Water Capital Improvement Fund (741-5458666)

Beginning with 1857 through 1860 in the amount of \$26,561.32.

Wastewater PWTF Fund (741-58558666)

Beginning with 1750 through 1753 in the amount of \$4,134.56.

Wastewater Capital Improvement Fund (741-58468666)

Beginning with 1754 through 1757 in the amount of \$12,994.66.

Wastewater Capital Improvement Fund (741-58468666)

Beginning with 1770 through 1770 in the amount of \$26,495.85.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 0244 through 0247 in the amount of \$407.33.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 0243 through 0243 in the amount of \$3,495.12.

East Wastewater Capital Improvement Fund (741-59528666)

Beginning with 0242 through 0242 in the amount of \$1,048.82.

Discharge Monitoring Report

The February 2010 Discharge Monitoring Report and Noncompliance Notification Letter was reviewed.

Adjustments to Customer Accounts

The Board reviewed the February 2010 Customer Account Adjustment Form which indicated 8 accounts were adjusted. The President of the Board was authorized to sign the form.

Tracking of Past Due Accounts

Staff provided the updated Customer Notices Tracking List which indicates the number of customer notices sent out each month for Board review.

Acknowledge Employee Accomplishments

Notification was received from the Washington State Department of Health that Roger Darling, Eric Overton and Bruce Wickler had passed the Cross Connection Control Specialist Examination. The Board reviewed letters of recognition to the three employees and authorized the President to sign the letters on behalf of the Board along with the General Manager.

Request to Bid – Reservoir #2 Interior Painting Project

As authorized at the January 20, 2010 Meeting Gray & Osborne has prepared plans and specifications for the interior re-coating of Reservoir #2. Originally, it was planned to have the reservoir painted in the spring of 2010 and be back on-line before the peak water demand season. If the project was advertised for bids this late in the year the District may not receive many bids, as painters have work already scheduled. The District's engineer recommended a revised schedule as follows:

Advertise for Bids	May 20 2010
Open Bids	June 10, 2010
Award Bid	June 16, 2010
Notice to proceed	September 14, 2010
Project Completion Date	November 14, 2010

The revised schedule provides a less critical time line where the reservoir would have adequate time to cure before the reservoir is put back in service.

The Board authorized Gray & Osborne to advertise for Bids to paint the interior of Reservoir #2 based on the revised schedule.

Accept Developer Extension Agreement as Complete

Five Developer Extension Agreements have been completed. The Transfer of Ownership and Bill of Sale for water and/or sewer facilities have been provided to the District for each project. The Developers made deposits to the District to cover expenses including engineering, inspection, legal, permits and administration; any remaining balance shall be refunded as stated below. If the deposit was depleted prior to the project being finished, invoices were sent directly to the developer and have been paid. Some projects are old but couldn't be closed until invoices or punch list items were completed.

Accurate Inc. Short Plat, Ext. #384 – The Developer Extension Agreement was to install water and sewer improvements on two separate duplex lots. On 6th Avenue West, Everett. The work has been completed. A \$1,500 deposit was made to cover District expenses, all invoices are paid leaving no balance to be refunded.

Waterford Lane Condo's, Ext. #388 – The developer installed water and sewer improvements to serve this 21 unit condo project on 18th Avenue West in Everett. The work has been completed. A \$3,000 deposit was made to cover District expenses, all invoices are paid leaving no balance to be refunded.

ARFF Fire Station, Ext. #455 – Improvements to the water systems were made for the Aircraft Rescue Fire Fighting Station on 36th Place West, Everett. A deposit of \$4,000 was made; all invoices have been paid leaving no balance to be refunded.

Korry Development, Ext. #457 – The Developer made water improvements for this commercial site on Bev-Ed Road, Everett. A deposit of \$10,000 was made; all invoices are paid leaving no balance to be refunded.

Sosinsky SP, Ext. #461 – The Developer provided water and sewer service to a newly created lot on 108th Street SW, Everett. All work has been completed. A deposit of \$2,000 was made; all invoices have been charged and paid leaving no balance to be refunded. The Developer provided a \$10,000 Bond in order to record the plat before his permit expired and prior to the work being completed. The Developer was unable to complete the work in the time allotted. The District finished the project utilizing the Bond. All work is done leaving a balance of \$690.01 to be refunded.

BUSINESS ITEMS

**CHANGE ORDER #4
AERATION DITCH
"B"**

Change Order #4 for the WWTP Aeration Ditch "B" Modifications is for material and labor to ground the blower building and electrical panel canopy meter structures for an increase in the cost of \$1,245. Mr. Hammer advised the Board that in order to expedite the work he had agreed to the Change Order.

As requested by Commissioner McGrath the Change Order was pulled from the Consent Agenda and discussed further.

Commissioner McGrath made a motion to ratify the General Manager decision to approve Change Order #4 for Ditch "B" at a cost not to exceed \$1,245, including sales tax. Commissioner Thomasson seconded the motion. The motion passed unanimously.

**EASTESIDE SEWER
RATES**

RESOLUTION 040-10

The District's eastside sewer customers sewage is treated at the City of Everett treatment facility and the City charges the District a sewer service charge per single family equivalent. The City adjusts the charge each year effective on April 1st.

The City of Everett's March 5, 2010 letter indicated that the new monthly rate will be \$26.29 per single family equivalent, an increase of \$1.50 from the current charge of \$24.79.

Eastside sewer customers currently pay a monthly base rate of \$33.75 and an excess volume charge of \$5.39, if applicable. By the District passing on the City's increase the new base rate would be \$35.25 with an excess volume charge of \$5.61.

Section 1.4 of Resolution A-1600 provides for automatic rate adjustments. Draft Resolution No. 040-10 revises monthly charges for eastside sewer customers.

Commissioner Thomasson made a motion to adopt Resolution No. 040-10 passing on the sewer service charge for 2010 from the City of Everett to eastside customers as stated. Commissioner McGrath seconded the motion. The motion passed unanimously.

***WESTSIDE SEWER
RATES***

A Public Hearing was held on March 3, 2010 related to the proposed sewer rate increase recommended by District staff. At the conclusion of the Public Hearing staff was directed to draft a sewer rate resolution to implement the recommended rate increase.

RESOLUTION 141-10

During the Public Hearing, Mr. Andrew Rardin, a Paine Field Airport staff member, had requested that if the rate increase is implemented that charges to the Airport be delayed in order for the Airport to hire a consultant to assist them in reviewing sewer rates and options available to minimize their costs and optimize performance of their system. A letter dated March 4, 2010 from Paine Field Airport Director, Dave Waggoner, suggested that the propose sewage disposal rate increase related to the Airport conflicts with the terms of the Airport and District Agreement for sewage disposal. The District has been asked to delay approving the rate increase until the Airport's questions related to the contract can be resolved.

The District's rate consultant and Mr. Milne do not believe the proposed rates are in conflict with the Agreement.

Rate formulas for retail commercial customers are revised to eliminate fixture units and utilize the water meter size to establish base rates and a cost per 1,000 gallons of water used. This change affects the airport because they will be billed for the size of their effluent meter. The rate resolution also establishes different classes of customers: single family, multi-family, Commercial Class I, Commercial Class II and Commercial or Industrial Contract Customer. The General Manager was authorized to determine the class of customer if questions arise about in which class a customer should be placed.

The Board authorized the General Manager to work with the airport to either re-negotiate their contract or find a way to minimize the large rate increase to the airport if the new rates were approved.

Commissioner McGrath made a motion to adopt Resolution No. 141-10 revising and approving monthly charges for westside sewer service and repealing Resolution No. 329-07. Commissioner Thomasson seconded the motion. The motion passed unanimously.

***BIG GULCH
ENGINEERING
SERVICE FEE
INCREASE
REQUEST***

HCWL advised the District that they have expended their budget for construction management services for the Big Gulch Project and requested the District approve a supplemental engineering agreement for what HCWL contended were extra and beyond-scope construction management services in the amount of \$133,591. Mr. Pete Weber and Mr. Hammer met on March 15, 2010 to review the request.

Mr. Weber and Mr. Camp Fuller from HCWL were present to discuss the request with the Board.

Discussion was held regarding the District's expectations and concerns. Mr. Weber addressed the Board and stated how things had changed on the project. He provided a construction history and construction management services tracking form for the project.

At 7:53 Commissioner Rainville called an Executive Session for approximately five (5) minutes to discuss the engineering services fee increase request pursuant to RCW 42.30.110(1)(i), as the matter involved potential litigation. At 8:04 Commissioner Rainville extended the Executive Session by public announcement until 8:10 PM. At 8:10 PM the open public meeting reconvened.

Commissioner Johnson made a motion authorizing the General Manager to negotiate with HCWL a supplemental engineering agreement for extra and beyond-scope construction management services to be brought back to the Board for review and approval. Commissioner Thomasson seconded the motion. The motion passed unanimously.

***ROOF REPAIR AT
806 5TH STREET
BUILDING***

The cedar shake fascia on the District's building at 806 5th Street is in need of replacement. Fifteen (15) quotations were received after solicitations were made to roofing contractors on the MRSC small works roster. Prices ranged from \$3,944 to \$33,784. Staff is in the process of determining the lowest responsible bidder. The 2010 Budget allocated \$6,000 for this project.

By consensus the Board authorized the General Manager to enter into a Small Works Contract with the lowest responsible bidder to repair the cedar shake fascia on the 806 5th Street Building.

***CARPET
REPLACEMENT AT
806 5TH STREET
BUILDING***

The Mukilteo Beacon has leased the 806 5th Street building since 2003. In April 2007 the tenant requested that the District replace the carpet in the building. The Board of Commissioners authorized the General Manager to work with the tenant to have the carpet replaced in lieu of the tenant paying a couple months rent, if the tenant was willing to extend their lease another two years and be responsible for the cost and installation of the carpet.

The tenant did extend the lease for two years but had not yet installed the carpet. The current lease will expire on September 30, 2011.

The tenant recently received quotations to install the carpet with prices ranging from \$5,160 to \$6,730. The tenants preferred carpet which costs \$5,675, which exceeds the original two months lease deferral amount authorized previously. The tenant is requesting the District defer rent for the full cost of installing the carpet.

The current rent is \$2,157.82 (\$1,912.28 rent and \$245.54 leaseholder's tax) and will increase 3% on September 1, 2010. Staff requested the Board authorize the General Manager to defer up to three months rent in lieu of the tenant paying for the installation of the carpet.

By consensus the Board authorized the General Manager to work with the tenant to replace the carpet and defer up to three months rent in lieu of the tenant paying for the installation of the carpet at the 806 5th Street Building.

***USE OF PARKING
LOT BY
NEIGHBORING
RESTAURANT***

Mr. Hammer stated he has been working with Mr. Milne's office to understand the procedure the District would need to follow to stop people from using the parking lot who are not coming to the District office to conduct business. Additional signs of a certain size and utilizing particular language would need to be installed. An agreement with a towing company is being reviewed and the requirements the District would need to follow before vehicles could be towed.

Ben Shegrud, a visitor at the meeting, stated he has parked in the District lot and gone to the restaurant thinking that this building is a public house.

The restaurant owner has been very cooperative when Mr. Hammer has discussed the issue with them. They are working to provide additional parking for their facility.

District staff will be having signs installed when the final language has been developed.

The Board requested letters be sent to the owner of the restaurant and the owner of the property explaining the District's concern about their customers using District property for parking and that parking would not be allowed.

***EMPLOYEE
RECOGNITION
DINNER***

Mr. Hammer discussed a date to hold the employee recognition dinner. About half the staff would like a Thursday night and half would like a Saturday night. Staff has found a restaurant that would accommodate them on a Thursday without charging a room use fee. The Board agreed that they would leave the decisions to staff and either night would be acceptable to them.

***SPRING
NEWSLETTER***

Staff provided the Spring Newsletter to the Board for their review. Some revisions were suggested. Once the newsletter is approved by everyone it will be mailed to customers with their water/sewer bill.

***90th BIRTHDAY
IDEAS FOR MWWD***

Four sample graphics and ideas on how to celebrate the District's 90th Anniversary were provided to the Board for their review. The Board approved the graphic samples, placing a graphic on billing forms and letterhead, bumper stickers on District vehicles and a banner to hang by the front of the administration building.

MANAGEMENT REPORTS

Mr. Hammer stated that employee Roger Darling was back to work on light duty after having a knee replacement.

On March 12, 2010 a sewer backup occurred when a Verizon fiber contractor bored through a side sewer. District staff repaired the line. The claim is being handled by the Verizon Contractor.

A Car Policy was approved by the Association.

The annual USA Leak Survey will be performed the last three days of the month. Approximately 16 miles of water main will be tested. Mr. Hammer stated he will be signing the contract for the service which is about \$3,000.

COMMISSIONERS REPORTS

Commissioner Thomasson stated she had attended a WASWD Finance Committee teleconference and that the Finance Policy is being worked on.

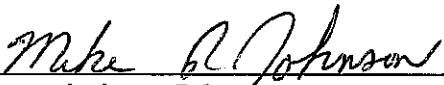
Commissioner McGrath attended an Emergency Management Meeting. They are working to develop a Mutual Aid Agreement Update involving states, cities and districts.

Commissioner Rainville reported on the March 8, 2010 Sno-King Meeting.

ADJOURN

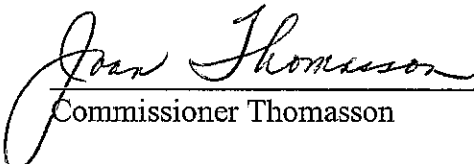
There being no further business the President concluded the meeting at 8:53 PM.

President/Commissioner Rainville



Commissioner Johnson

Vice-President/Commissioner Caine



Commissioner Thomasson



Secretary/Commissioner McGrath