

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

Minutes of April 1, 2009

The April 1, 2009 Regular Meeting of the Board of Commissioners was called to order at 7:00 PM in the District office.

PRESENT

Commissioners -- Dick Andrews, Ed Caine, Mike Johnson, Thomas McGrath, Thomas Rainville and Joan Thomasson
Attorney – John Milne
Engineer – Eric Delfel
Staff -- Dan Hammer, Sue Parks, Gil Bridges, and Joann King
Audience – Mr. Mike Holbrook, Bill Lewallen of Snohomish County Airport, and Pete Weber and Camp Fuller of Hammond Collier Wade Livingstone (HCWL).

COMMENTS FROM VISITORS

Mr. Holbrook attended the meeting because of a hearing notice he had received. Staff talked with him before the meeting started and will contact them tomorrow about the account.

APPROVAL OF AGENDA

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

MINUTES APPROVED

Commissioner Andrews made a motion to accept the Minutes with revisions from the March 4, 2009 Board Meeting. Commissioner Thomasson seconded the motion. The motion passed unanimously.

Commissioner Andrews made a motion to accept the Minutes from the March 18, 2009 Board Meeting. Commissioner Johnson seconded the motion. The motion passed unanimously.

Commissioner McGrath asked staff if Mr. Koo, who had attended the prior meeting, had been helped with his issue to his satisfaction. Mrs. Parks stated a leak adjustment had been made to his account and hoped that would satisfy Mr. Koo.

CONSENT AGENDA

After review of the Consent Agenda Items, Commissioner Caine 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 1178 through 1195 in the amount of \$46,812.65.

Water Capital Replacement Fund (741-5478666)

Beginning with 1177 through 1177 in the amount of \$16,935.70.

Wastewater PWTF Fund (741-58558666)

Beginning with 1191 through 1195 in the amount of \$95,346.49.
Wastewater Maintenance Fund (741-58408666)
Beginning with 1175 through 1190 in the amount of \$28,457.58.
East Wastewater Maintenance Fund (741-59418666)
Beginning with 0166 through 0167 in the amount of \$58,144.61.
Wastewater Capital Improvement Fund (741-58468666)
Beginning with 1172 through 1174 in the amount of \$28,858.71.

Sign Approved Salary Adjustments – Resolution 092-09 with Revisions

The Board had reviewed the Resolution at the March 18, 2009 meeting and had approved it with revisions. The Board reviewed the revisions and signed the approved Resolution 092-09.

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.

Tracking of Past Due Accounts

The Board reviewed the tracking spreadsheet of notices and account turnoffs. Staff will continue to track the number of notices, tags and turn-offs and keep the Board advised.

BUSINESS ITEMS

**BIG GULCH
SEGMENT 3 BID
REPORT**

Mr. Hammer briefly spoke about the project and the bid process. He stated the engineers estimate to perform the work was \$5,269,000.00 and that three contractors submitted bids on the project on Thursday March 26, 2009. The apparent low bidder was the HDD Company Inc. with a bid price of \$3,569,408.95 including tax (corrected for extension errors). The three bids are as follows:

HDD Company Inc.	\$3,569,408.95
IMCO General Contractors Inc.	\$3,961,783.69
Granite Northwest Inc.	\$4,809,864.15

Mr. Hammer stated the District had received a bid protest from IMCO General Construction Inc., and said he would not be recommending the Board approve the resolution or award the bid at this meeting. Mr. Hammer requested the Board schedule a special meeting regarding the Big Gulch Segment 3 bids on April 6, 2009 at 7 p.m.

Camp Fuller of HCWL spoke about the bid requirements and the additional information the two lowest bidders were required to submit for review by the engineers.

John Milne, the District's legal counsel remarked about the statutes regarding bids over one million dollars. He explained that IMCO had filed a bid protest against the HDD bid. The HDD Company and IMCO had sent letters to the District addressing the bid protest issue. Mr. Milne also stated he and the engineers would get all the facts, letters and supporting documents together to make a recommendation for action at the special meeting. He suggested the Board plan on an Executive Session for approximately 20 minutes to discuss potential litigation at the April 6, 2009 Special Meeting.

Commissioner Caine asked if the Board had the right to reject all bids and rebid the project. Mr. Milne advised that the applicable statute allowed the District to reject all bids for good cause.

Commissioner Thomasson made a motion that the Board schedule a Special Board Meeting on April 6, 2009 at 7 p.m. to discuss the award of the Big Gulch Sewer Segment 3 Public Works Project contract. Commissioner Caine seconded the motion. The motion passed unanimously.

Mr. Milne stated he would prepare a meeting notice for publication in the Everett Daily Herald.

RESOLUTION 096-09 AUTHORIZING PURCHASE OF WETLAND BANK CREDITS FROM SNOHOMISH COUNTY AIRPORT WETLAND BANK

Mr. Hammer outlined the basis for the resolution and the inter-local agreement with Snohomish County Airport (Paine Field). He remarked on how this agreement would save the District a great deal of costs which would have been required with other alternatives. He also explained how the District and Paine Field are working out the needs of each entity to fulfill requirements for environmental restoration.

Commissioner Caine commented the agreement is a great deal and that the Commissioners should approve the Resolution and sign it, although, because he works for Snohomish County, he would be abstaining from voting on this issue.

Commissioner McGrath made a motion to approve Resolution 096-09 Approving an Interlocal Agreement with Snohomish County Providing for the Purchase and Sale of Wetland Compensation Bank Credits Relating to the District Big Gulch Repair and Rehabilitation Project. Commissioner Andrews seconded the motion. The motion passed by a vote of 5-0, Commissioner Caine abstaining.

Bill Lewallen of Snohomish County Airport spoke to the Board regarding the inter-local agreement. He expressed his excitement about working with the District on this project. He stated the District is now a part of a move to really help the environment. He explained that part of the plan is for the Airport to replace a fish barrier in Japanese Gulch with a fish ladder. He thanked the District for partnering with them in the important work of helping the environment. Commissioner Rainville thanked Mr. Lewallen and the Airport Staff for helping the District accomplish the needed mitigation and all the positive cooperation the two entities have had over the years.

RESOLUTION 089-09 AUTHORIZING SOLE SOURCE PURCHASE – ROTORK ELECTRIC VALVE ACTUATORS

The Board had reviewed and discussed the sole source purchase of the Rotork Valve Actuators which had previously been considered at the March 18, 2009 meeting and had asked for more information regarding the costs. Mr. Hammer briefed the Commissioners that the estimated cost for each of the two electric valve actuators needed for the WWTP Aeration System Modification – Ditch “B” was \$5,500 plus sales tax.

Commissioner Thomasson made a motion to approve Resolution 089-09 Waiving the Public Bidding Requirements and Authorizing the Purchase of Certain Equipment for the District WWTP Aeration System Modifications – Ditch “B” Project. Commissioner McGrath seconded the motion. The motion passed unanimously.

AUTHORIZE EVERETT REGIONAL LEAD & COPPER RULE CONSECUTIVE PARTICIPATION AGREEMENT

Mr. Hammer explained the monitoring program to the Board and asked for authorization to execute the agreement. Commissioner Rainville asked if this was to be done in residential homes or in commercial businesses, and how it was to take place. Mr. Hammer explained the District would need to have residential customers volunteer to take the samples per certain guidelines. Then District staff would gather them from the volunteers. Commissioner Caine asked what the costs would be to the District. Mr. Hammer stated there would be time spent by Jared Alexander, Water Quality Technician, to collect the samples from the volunteers and deliver samples in accordance with protocols and schedules to the City of Everett.

Commissioner Thomasson made a motion to authorize the General Manager to execute the Everett Regional LCR Consecutive Participation Agreement. Commissioner McGrath seconded the motion. The motion passed unanimously.

RESOLUTION 093-

Mr. Hammer stated the project was complete and that the engineers

BOARD OF COMMISSIONERS MEETING

April 1, 2009

Page 5

**09 ACCEPTING
WESTGATE FLOW
METER AND
MANHOLE FRAME
& COVER PROJECT
AS COMPLETE**

are recommending acceptance of the project as complete. Eric Delfel of Gray & Osborne stated the project had been completed for \$3023 under the total contract amount.

Commissioner Andrews made a motion to approve Resolution 093-09 Accepting the Westgate Flow Meter and Manhole Frame & Cover Replacement Project as complete, and begin the 45 day retention period. Commissioner Johnson seconded the motion. The motion passed unanimously.

**RESOLUTION 094-
09ACCEPTING 2009
EASTSIDE
WASTEWATER
RATE INCREASE**

Mr. Hammer explained how the District had responded to rate increases from the City of Everett in the past, and went over Resolution Number A-1600 which was adopted October 11, 2006.

Mr. Hammer explained the three optional courses of action that Staff had identified regarding the rate increase. Commissioner Rainville stated that Staff recommendation equalizes the monthly base rate for single family residences and all other buildings. Commissioner McGrath asked what rate had been used for calculating the 2009 budget. Mr. Hammer stated it was the proposed \$33.75.

Commissioner Thomasson expressed concern that the District wasn't raising the rates as much as the City of Everett had, and doesn't want the District to have to make a huge increase later on to make up for it. Mr. Hammer stated the margin between the rates the District pays and what it charges is sufficient to cover operating and maintenance costs.

Commissioner Caine asked if the margin goes into Capital or O & M budgets; adding that the District may need the surplus margin to repair our aging collection system. Mr. Hammer stated he believes the District has adequate funds to maintain the system. He explained that with a tough economic year ahead he believes the District should help the customers by not passing the full \$2.44 rate increase to them all at once.

Commissioner Caine made a motion to approve Resolution 094-09 Amending Section 2 of Resolution A-1600 Revising Monthly Charges for Sanitary Sewer Service. Commissioner McGrath seconded the motion. The motion passed unanimously.

**ADOPT THE
WASTEWATER
TREATMENT**

Mr. Bridges, Wastewater Treatment Plant Manager, spoke to the Board regarding the naming of the treatment plant. He explained the length of the name has caused some difficulty in regard to filling in

***PLANT NAME
CHANGE***

forms and such. John Milne, District legal counsel stated the Board could accomplish this change with a motion to approve it and there would be no need for a Resolution.

Commissioner Thomasson made a motion to adopt the name of Big Gulch Wastewater Treatment Facility for the Treatment Plant. Commissioner Andrews seconded the motion. The motion passed unanimously.

***RESOLUTION 097-
09 DECLARING
THE OTSD
ADMINISTRATIVE
BUILDING
SURPLUS AND
INTENT TO SELL
THE PROPERTY***

Mr. Hammer recapped the process the District has followed since the merger regarding the building, and the costs of selling it on the open market.

Mr. Hammer explained the resolution would give him authorization from the Board to negotiate a purchase and sale agreement to sell the property to the City of Mukilteo for net \$375,000. Mr. Milne confirmed selling to another municipality is simply a negotiated purchase and sale agreement in which all costs and responsibilities would be clearly explained. He reported an agreement with the City of Mukilteo would state a net purchase amount which would include all sales costs to be paid by the City with exception of attorney's fees incurred by the District.

In contrast he outlined the process and costs of additional appraisals, and the public bidding procedure should the District decide to sell the property on the open market.

Mr. Hammer stated to the Board there would be a public hearing on the proposed sale of the property to the City. Commissioner Caine asked if the hearing could be held in conjunction with a regular Board Meeting. Mr. Milne answered yes.

Commissioner Caine made a motion to approve Resolution 097-09 Declaring Certain District Real Property Surplus and Declaring the District's Intention to Sell the Real Property to the City of Mukilteo Pursuant to Chapter 39.33 RCW. Commissioner Thomasson seconded the motion. The motion passed unanimously.

LEGAL REPORTS

There were no legal reports.

ENGINEERING REPORTS

There were no engineering reports.

MANAGEMENT REPORTS

Mr. Hammer reported he would be meeting with the Alderwood Water and Wastewater District on April 2nd regarding the water supply agreement. He explained he was hoping to finalize the review of the agreement and to turn it over to the District's attorney to draft it in final form in the future.

COMMISSIONERS REPORTS

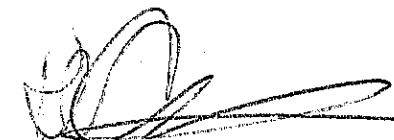
Commissioner Johnson asked about how much of a water rate increase the District had received from the City of Everett. Mr. Hammer said he would look into that and get back to him.

ADJOURN


There being no further business the President of the Board adjourned the meeting at 8:07 PM.



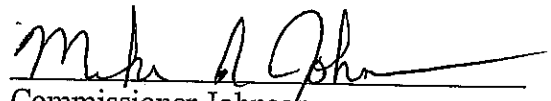
President/Commissioner Rainville




Commissioner Andrews




Vice-President/Commissioner Caine



Commissioner Johnson



Secretary/Commissioner McGrath



Commissioner Thomasson

MUKILTEO WATER AND WASTEWATER DISTRICT
BOARD OF COMMISSIONERS MEETING

April 1, 2009

SIGN-IN SHEET

NAME	ADDRESS	PHONE NO.
Mike Holbrook	4203 7th St. S.W.	360-629-6309
PETE WEBER		
BILL LEWALLEN	3220 100th St SW PAINE FIELD	425-388-5116

Camp Fuller