

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

Minutes of June 16, 2010

The June 16, 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 & John Wilson
Staff -- Dan Hammer, Sue Parks, Gil Bridges, Rick Matthews and
Mary Merriam
Consultant -- Mr. Steve Bishop from Benson & McLaughlin

***APPROVAL OF
AGENDA***

Consent Agenda Item #2.4 Leak Credit Adjustment, was moved to Business Item #3A to be discussed.

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

***MINUTES
APPROVED***

Commissioner Thomasson made a motion to approve the Minutes from the June 2, 2010 Board Meeting. Commissioner McGrath seconded the motion. The motion passed unanimously.

CONSENT AGENDA

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

Vouchers

Water Maintenance Fund (741-5408666)
Beginning with 2118 through 2158 in the amount of \$209,617.22.

Water Maintenance Fund (741-5408666)
Beginning with 2117 through 2117 in the amount of \$17,874.90.

Water Capital Improvement Fund (741-5458666)
Beginning with 2113 through 2116 in the amount of \$14,147.14.

Wastewater PWTF Fund (741-58558666)
Beginning with 1879 through 1880 in the amount of \$22,812.23.

Wastewater Maintenance Fund (741-58408666)
Beginning with 1882 through 1890 in the amount of \$932,226.23.

Wastewater Maintenance Fund (741-58408666)
Beginning with 1881 through 1881 in the amount of \$14,394.74.

Wastewater Capital Improvement Fund (741-58468666)
Beginning with 1875 through 1878 in the amount of \$20,285.39.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 0282 through 0282 in the amount of \$184.54.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 0277 through 0281 in the amount of \$2,918.16.

East Wastewater Capital Improvement Fund (741-59528666)

Beginning with 0275 through 0276 in the amount of \$1,442.72.

Approve Discharge Monitoring Report & Noncompliance Notification

The Board reviewed and approved the May 2010 Discharge Monitoring Report & the March 2010 Noncompliance Notification warning letter.

Adjustments to Customer Accounts

The Board reviewed the May 2010 Customer Account Adjustment Form which indicated 06 accounts were adjusted. The President of the Board was authorized to sign the form.

Investment Report

The May 2010 Investment Report was reviewed and approved.

Customer Notices Tracking Report

The May 2010 Customer Notices Tracking Report was reviewed and approved.

Approve Snohomish County 2010 Signature Authorization Form

The Board approved signing the Snohomish County Junior Taxing District 2010 Signature Authorization Form.

BUSINESS ITEMS

**LEAK CREDIT
ADJUSTMENT
REQUEST**

The property owner at 11110 3rd Avenue West, Everett requested an adjustment to their April 30, 2010 billing due to a broken service line. A Verizon contractor hit the service line while doing work in the area and made the repairs. Using the standard adjustment calculation staff requested authorization to make an adjustment on the account of \$171.85 for water and \$933.24 for sewer because no water entered the sewer system.

Discussion was held. The Board concluded that Verizon should be responsible for paying for the lost water since they were responsible for the damage to the service line.

Commissioner Caine made a motion to approve the \$933.24 credit to the sewer account since the leak did not affect the sewer system. Commissioner Thomasson seconded the motion. The motion passed unanimously.

***2009 FINANCIAL
STATEMENT***

Mr. Steve Bishop, a CPA from Benson & McLaughlin, made a presentation to the Board of Commissioners on the District's Draft 2009 Financial Statement. The statement is in draft form due to new Springbrook fixed asset depreciation software and how it calculated historical fixed assets for all utilities, especially Utility #2 (prior Olympus Terrace Sewer District facilities). Ms. Parks is working on the program and the fixed assets. Mr. Bishop reported that the District is in good financial shape. When staff is finished with the fixed asset analysis the 2007-2009 Financial Statements will need to be restated and a financial note included explaining why the adjustments were made. Mr. Bishop will attend a meeting to give his final report.

Commissioner Rainville requested the fixed assets be recalculated back to the date of the Olympus Terrace Sewer District and Mukilteo Water District merged.

***NUTRIENT
REMOVAL IN
HEADWORKS
DESIGN***

During previous Board of Commissioners Meetings the Commissioners have discussed planned improvements to the Headworks at the Big Gulch WWTP. The District previously commissioned a pre-design report to be performed by Gray & Osborne in which the engineer investigated three options to upgrade the Headworks. The engineer and staff recommended constructing a stacked-tray vortex grit chamber grit removal system with a new enlarged selector tank with three cells. After receiving a presentation of the pre-design report the Board concurred with the engineer's recommendations. USEPA and Washington State DOE are studying potential regulations that could require nutrient removal from wastewater treatment plants. Staff and consultants have discussed modeling the WWTP process to optimize the ability of the oxidation ditch and selector to remove nutrients from the wastewater stream.

Mr. John Wilson, from Gray & Osborne, made a power point presentation to the Board discussing the treatment process, the Headwork improvements being recommended and options available to maximize nutrient removal from wastewater effluent. Mr. Wilson answered questions the Commissioners had related to his presentation on nutrient removal and sizing of the new Headworks components.

***HEADWORKS
DESIGN & SCOPE
OF WORK***

Gray & Osborne provided a Scope of Work for the Design and Permitting Services for the Big Gulch WWTP Headworks Improvements. The costs to design, develop plans and specifications, and go to bid for the project is \$505,109.

Commissioner Thomasson made a motion to authorize Gray & Osborne to design and develop plans and specifications to upgrade the Big Gulch WWTP Headworks in accordance with the Scope of Work presented at a cost not to exceed \$505,109. Commissioner McGrath seconded the motion. The motion passed unanimously.

***GREENHOUSE GAS
EMISSION
REDUCTION
POLICY***

RESOLUTION 153-10

Mr. Milne reported at the June 2, 2010 Board of Commissioners Meeting that local governments need to adopt a resolution and policy regarding reducing greenhouse gas emissions by June 30, 2010. He provided a memo and draft resolution for Board review and consideration. District staff developed policies that were attached as Exhibit "A".

Discussion was held regarding the policy and the amount of detail that should be listed. Staff will revise the policy and bring it back to the June 23, 2010 Meeting.

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

Mr. Rick Matthews reported on the status of the roof fascia repair at the District's building at 806 5th Street. The project was sent out for bids in February 2010 and fifteen quotes were received ranging from \$3,944 to \$33,784. The three quotes that came in under the budgeted amount of \$6,000 were unable to meet the District's insurance and/or Small Works Contract requirements. Discussion was held regarding the contract and insurance requirements. It was decided that the Commissioners would like a presentation from Mr. Milne regarding the contract and small contract insurance requirements for small projects at the July 7, 2010 Meeting.

***FIRST QUARTER
FINANCIAL
REPORT***

Ms. Parks provided the financial reports for the first quarter of 2010. The report was the first one created in the new Spreadsheet Server Software. The Board thought the report was easy to read.

***2011 BUDGET
LAYOUT***

Ms. Parks prepared a draft budget format for the 2011 Budget for the Boards review. No additional comments were given by the Board.

MANAGEMENT REPORTS

Mr. Hammer reported that the Reservoir #2 Interior Coating Project is out for bids. The Bid Opening date is June 24, 2010 at 2:00 PM.

The Big Gulch Close-Out Project is out for bid with a Bid Opening date of July 2, 2010 at 10:00 AM. The permits from the City of Mukilteo have been received. The City is requiring the District to repave approximately 100-feet of roadway at the WWTP gate.

HDD is on-site stabilizing the land slide and installing tie-backs.

Gray & Osborne has been able to inspect the outfall at the WWTP; on Monday, June 14, 2010 the tide was low enough to get a camera through the pipe. A pre-design report will be completed in the near future.

The final marked-up copy of the Alderwood Water Supply Agreement was received at the office today and a meeting is scheduled for June 23, 2010 to discuss 2010 rates.

COMMISSIONER REPORTS

Commissioner Caine reported on the WASWD Finance Committee Meeting held on June 11, 2010. The 2010 budget was approved at \$560,000 and expenditures are forecasted to be \$160,000 over the approved budget. Expenses above budget would need to be taken from reserve funds.


Commissioner Caine reported on the Bylaws Committee Meeting and provided a handout regarding the language used by WASWD for absentee and/or proxy votes.

CONCLUDED

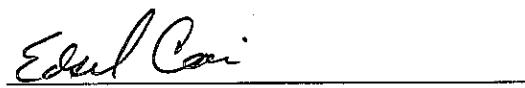
There being no further business the President of the Board concluded the meeting at 9:05 PM.




President/Commissioner Rainville



Commissioner Johnson



Vice-President/Commissioner Caine



Commissioner Thomasson



Secretary/Commissioner McGrath