

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

Minutes of September 1, 2010

The September 1, 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
Attorney -- John Milne
Engineer -- Mike Jauhola
Staff -- Dan Hammer, Sue Parks, Gil Bridges and Mary Merriam

***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 Thomasson made a motion to approve the Minutes from the August 18, 2010 Board Meeting. 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 McGrath seconded the motion. The motion passed unanimously.

Vouchers

Water Maintenance Fund (741-5408666)
Beginning with 2368 through 2389 in the amount of \$44,649.88.

Water Capital Improvement Fund (741-5458666)
Beginning with 2345 through 2345 in the amount of \$15,791.87.

Wastewater PWTF Fund (741-58558666)
Beginning with 1987 through 1989 in the amount of \$76,709.44.

Wastewater Maintenance Fund (741-58408666)
Beginning with 1975 through 1986 in the amount of \$12,314.68.

Wastewater Capital Improvement Fund (741-58468666)
Beginning with 1974 through 1974 in the amount of \$50,568.45.

East Wastewater Maintenance Fund (741-59418666)
Beginning with 0307 through 0310 in the amount of \$81,130.30.

Regular Payroll

Regular Payroll for August 2010 in the amount of \$139,665.63 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.

Adjustments to Customer Accounts

The Board reviewed the July 2010 Customer Account Adjustment Form which indicated 12 accounts were adjusted in the amount of \$1,410.93. The President of the Board was authorized to sign the form.

Customer Notices Tracking Report

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

Approval of Leak Credit Adjustment

The property owner at 10830 Holly Drive, Everett requested in writing an adjustment to their June 30, 2010 billing due to a broken service line. Using the standard adjustment calculation staff requested authorization to make an adjustment on the account of \$185.42 for water and \$1,060.29 for sewer because no water entered the sewer system; a total adjustment of \$1,245.71. The Board approved the adjustment.

2010 Financial Report – 2nd Quarter

The Board reviewed and approved the 2nd Quarter 2010 Financial Reports as provided by the Finance Manager.

Investment Report

The Board reviewed and approved the July 2010 Investment Funds Report.

Signing of Resolutions 160-10 and 161-10

At the August 18, 2010 Meeting the Board of Commissioners approved Resolution 160-10, appointing a representative to the Wholesale Water Committee and Resolution 161-10, revising Certain Miscellaneous Charges. The Board requested staff make minor changes to both resolutions and present the resolutions for signing at this meeting.

BUSINESS ITEMS

***TRANSFER OF
ACCOUNTS TO THE
CITY OF EVERETT***

Mr. Hammer reported on his August 24, 2010 meeting with the City of Everett staff regarding the transfer of District customers and facilities in the Airport Road Annexation service area to Everett. The City had previously notified the District that the City intended to assume that service area under its existing agreements with the District. Mr. Hammer had met with City staff in January, 2010, and the City had indicated its intent to assume the area in August, 2010. However, the transfer had not yet occurred and Everett had advised Mr. Hammer at the August 24 meeting that the City did not want to purchase the wastewater capacity the District had previously purchased from the City in the Everett Wastewater Treatment Plant and South End Interceptor to serve the annexation area and other portions of the District. However, Mr. Hammer reported that the City had undertaken prior annexations within the District's service area, had then assumed utility service in those areas from the District and had purchased sewer capacity from the District to serve the assumed area under the agreement with the District. The District recently had Gray & Osborne prepare a sewer capacity analysis to determine what capacity should be sold to Everett in light of the annexation-assumption, and Mr. Hammer had provided a copy of the analysis to the City.

Because the District's interpretation of the annexation agreement regarding the purchase of sewer capacity differed from the City's current interpretation of the agreement, Mr. Hammer and Mr. Milne requested an executive session pursuant to RCW 42.30.110(1)(i) to discuss the matter due to potential litigation and to receive privileged legal advice. Commissioner McGrath so moved on that basis. Commissioner Thomasson seconded the motion which was carried unanimously. However, before convening the executive session, the Board determined to schedule the executive session at the end of the meeting so that all other business could be concluded before the executive session commenced.

***2012 STATE
REVOLVING FUND
D.O.E. LOAN
APPLICATION***

Mr. Hammer reported that Mr. Mike Jauhola, from Gray & Osborne (G&O), contacted him regarding having G&O prepare a Department of Ecology (D.O.E.) loan application for Mukilteo Water and Wastewater District to receive money from the 2012 State Revolving Fund (SRF). G&O provides this service free to their clients. Staff has been working on the Sewer Comprehensive Plan and believes the District may be eligible for a D.O.E. loan. The District would need to identify a project for the loan.

Mr. Jauhola provided information and made a presentation to the Board on the SRF. He stated G&O prepare 12-15 applications per year at no cost to the clients for preparing the loan application.

Discussion was held regarding the wastewater treatment plant headworks project being submitted for the loan and which projects were highest in priority in the existing sewer comprehensive plans. The District's new comp plan should be finished before the loan is approved.

Commissioner Thomasson made a motion authorizing G&O to prepare an SRF loan application for the District and for staff to contact D.O.E. to determine if the headworks project would be eligible for the loan. Commissioner Johnson seconded the motion. The motion passed unanimously.

***AWARDING
CONTRACTS AND
BID INFORMATION***

Previously Commissioner Johnson asked if there was a waiting period on public works projects. Mr. Milne provided information and discussed the state law applicable to the District. He advised that no "bid hold" period in the bidding statute is applicable to Title 57 water-sewer districts.

OTHER BUSINESS

Ms. Parks reported that Snohomish County Finance Department sent letters out advising District's that they were going to start charging for services they provide effective November 1, 2010. Discussion was held regarding the services the County currently provides to MWWD. Ms. Parks will obtain more information from the County and report back.

MANAGEMENT REPORTS

Mr. Hammer reported the contractor on the Big Gulch Closeout Project has installed the auger cast piles and one pile cap is 7-inches off center. The engineer is investigating if the pile cap needs to be redesigned. The engineer has recommended the District pay to have high strength concrete installed at an estimated cost of \$500-\$600.

Mr. Hammer will be on vacation September 2nd and 3rd.

Mr. Milne will not be attending the October 6, 2010 Meeting but will attend the October 20, 2010 Meeting.

COMMISSIONERS REPORTS

Commissioner Johnson inquired what the goal date is for the 2011 Budget. Staff plans to present it to the Board at the first meeting in November.

Commissioner Caine asked if the next meeting on September 14th was a special meeting. Staff has advertised the revised meeting date.

***TRANSFER OF
ACCOUNTS TO
EVERETT***
(continued)

Executive Session

Executive Session – Potential Litigation Per RCW 42.30.110(1)(i)

Prior to convening the executive session on the Everett annexation matter at 8:14 p.m., Commissioner Rainville advised that the executive session would be concluded at 8:35 p.m. At 8:35 p.m., Commissioner Rainville extended the executive session to 8:45 p.m., which was publicly announced. At 8:45 p.m., the executive session was concluded and open public meeting was reconvened.

CONCLUDED

There being no further business the President of the Board concluded the meeting at 8:46 PM.



President/Commissioner Rainville



Commissioner Johnson



Vice-President/Commissioner Caine



Commissioner Thomasson



Secretary/Commissioner McGrath