

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

Minutes of September 14, 2009

The September 14, 2009 Rescheduled Meeting of the Board of Commissioners was called to order at 7:00 PM in the District office, as advertised.

PRESENT

Commissioners -- Dick Andrews, Ed Caine, Mike Johnson, Thomas McGrath, Thomas Rainville and Joan Thomasson
Attorney – John Milne
Staff -- Dan Hammer, Sue Parks and Mary Merriam
Audience – Nizar Damji, Shaiza Damji, Dave Mullins, Alif Nurani and Andrew Maron

***APPROVAL OF
AGENDA***

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

***MINUTES
APPROVED***

Commissioner McGrath made a motion to accept the Minutes from the August 19, 2009 Board Meetings. Commissioner Caine seconded the motion. The motion passed with five yes votes. Commissioner Johnson abstained since he was not in attendance at that meeting.

Commissioner Andrews made a motion to accept the Minutes from the September 2, 2009 Board Meetings. Commissioner McGrath seconded the motion. The motion passed with four yes votes. Commissioners Caine and Thomasson abstained since they were not in attendance at that meeting.

CONSENT AGENDA

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

Vouchers

Water Maintenance Fund (741-5408666)

Beginning with 1596 through 1628 in the amount of \$250,973.03.

Water Maintenance Fund (741-5408666)

Beginning with 1629 through 1629 in the amount of \$13,425.40.

Water Capital Improvement Fund (741-5458666)

Beginning with 1592 through 1594 in the amount of \$46,265.38.

Water Capital Replacement Fund (741-5478666)

Beginning with 1595 through 1595 in the amount of \$6,142.10.

Wastewater Maintenance Fund (741-58408666)

Beginning with 1421 through 1430 in the amount of \$50,160.64.

Wastewater Maintenance Fund (741-58408666)

Beginning with 1431 through 1431 in the amount of \$2,353.17.

Wastewater Capital Improvement Fund (741-58468666)

Beginning with 1432 through 1440 in the amount of \$178,388.36.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 0211 through 0214 in the amount of \$9,678.68.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 0215 through 0215 in the amount of \$4,589.87.

East Wastewater Capital Improvement Fund (741-59528666)

Beginning with 0216 through 0217 in the amount of \$6,145.04.

Regular Payroll

Regular Payroll for September 2009 in the amount of \$137,273.34 as approved.

Discharge Monitoring Report

The August 2009 Discharge Monitoring Report was reviewed.

Adjustments to Customer Accounts

The Board reviewed the August 2009 Customer Account Adjustment Form which indicated 19 accounts were adjusted. The President of the Board was authorized to sign the form.

Service Connection Summary

The Board reviewed the August 2009 Water Service Connection Report which indicated seven new services were installed and no additional units, which increases the total new services for the year to 63. The Sewer Connection Report indicated seven new services were installed.

Tracking of Past Due Accounts

Staff provided the list tracking the number of customer notices sent out each month through July 2009 for Board review.

Investment Report

The Board reviewed the August 31, 2009 Investment Funds Report.

Quarterly Financial Reports

The Board reviewed and approved the 2nd Quarter 2009 Financial Reports.

Adjustment to Customers Account

Staff discovered Production Plating; located at 4412 Russell Road in Mukilteo had been incorrectly billed for a 1 ½-inch service base rate when they have a 1-inch service. The error occurred in June 2001 when their meter was replaced. Staff corrected the error in the billing system and consulted Mr. Milne who advised staff the applicable statute of limitations in an over-billing situation is three (3) years (RCW 4.16.080). A credit of \$584.06 was calculated for the period of May 31, 2006 to May 31, 2009.

Flu Shots for Employees

The Board authorized the District to provide regular flu shots and swine flu shots, if the vaccine becomes available, to employees who wish to participate. The shots will be administered through Health Force Clinic at Paine Field.

BUSINESS ITEMS

**STAYBRIDGE
SUITES SEWER
CONNECTION
CHARGES**

At the August 5, 2009 Board of Commissioners Meeting staff was authorized to work with the District's attorney to review the west-side sewer General Facility Charges (GFC) for sewer connections and report to the Board at the September 14, 2009 Meeting.

Mr. Hammer stated that a request for public records was received today from Mr. Andrew Maron of Short, Cressman & Burgess PLLC, the attorney recently hired to represent Mukilteo Hotel/Staybridge Suites. The information being requested was pertaining to connection charges paid to Olympus Terrace Sewer District by Beechwood Development LLC owner of Hilton Garden Inn.

Mr. John Milne recommended the Board listen to public comments and then, due to the potential litigation, recess to executive session to discuss the west-side sewer connection charges.

Mr. Andrew Maron introduced himself to the Board as the attorney now representing the Mukilteo Hotel and also the attorney who represented Beechwood Development against Olympus Terrace Sewer District in 2005. He stated the sewer connection charge is unreasonable and was adopted incorrectly in the past. He sent a letter to the Board dated September 11, 2009 addressing his concerns and included a table comparing sewer connection fees of twelve districts. He urged the Board to adopt an appropriate method to calculate sewer GFC for hotels and stated they were attending to help not to fight.

At 7:15 PM Commissioner Rainville stated the Board would recess to an Executive Session under RCW 42.30.110(1)(i) due to potential litigation until 7:45 PM. At 7:45 Commissioner Rainville extended the Executive Session to 8:00 PM. At 8:00 PM the Board reconvened the meeting.

Commissioner Thomasson made a motion to authorize District staff and counsel to pursue and discuss the resolution of the west-side sewer GFC with the developer and its counsel. Commissioner Andrews seconded the motion. The motion passed unanimously.

**2009
COMPREHENSIVE
WATER SYSTEM
PLAN**

**RESOLUTION
118-09**

At the September 2, 2009 Board of Commissioners Meeting the Board reviewed the 2009 Comprehensive Water System Plan presented by Eric Delfel from Gray & Osborne. The meeting had been advertised for public comments; no citizens were in the audience to present testimony. On September 7, 2009 the SEPA period ended; no comments were received. Staff provided a draft resolution adopting the 2009 Comprehensive Water System Plan.

Commissioner McGrath made a motion to approve Resolution 118-09, adopting the 2009 Comprehensive Water System Plan. Commissioner Caine seconded the motion. The motion passed unanimously.

**BEACON RENTAL
LEASE
AGREEMENT**

The Mukilteo Beacon (Newspaper) has rented the District's previous office at 806 5th Street since August 2003. In August 2005 they signed an extension for one year, in 2006 an extension of lease for two years and in 2008 an extension for one year. The rent has increased by 3% per month annually. The current rent is \$2,157.82 per month (\$1,912.28 rent and \$245.54 leaseholder's tax).

Mr. Hammer reported Mr. Paul Archipley, owner of the Beacon, stated he would like to extend the lease.

Mr. Milne is reviewing the lease agreement.

Commissioner Caine made a motion that once the lease agreement has been approved by the attorney the Beacon lease may be extended for another two-year period with option to extend for an additional two years. No increase in rent will be applied the first year; a 3% increase will start the following year and each year the lease is extended. Commissioner Johnson seconded the motion. The motion passed unanimously.

**BIG GULCH
UPDATE**

Mr. Hammer reported the wording of Change Order #2 is still be revised and is not ready for approval. The Board authorized the General Manager to approve the Change Order once it meets with his approval. Approximately 234-feet of 18-inch casing has been installed by the contractor. The 20-inch conductor casing, with the damaged end, has been removed and replaced with 72-feet of 24-inch conductor casing.

The contractor installed the packer for the 101st Street bore the morning of September 9th. On September 11th the pilot bore was approximately 750-feet out without problems encountered.

The contractor is still reviewing approaches to remedy the sags in the trunk pipeline and perform a capacity flow test.

Mr. Hammer provided pictures of the site.

***PURCHASE OF
EFFLUENT FILTER
FOR WWTP***

Mr. Gil Bridges provided a memo requesting authorizing to purchase an effluent filter for the Big Gulch Wastewater Treatment Plant that will be surplus by Alderwood Water and Wastewater District (AWWD) in 2010. Staff inspected the equipment and found it to be in good working order. The equipment would benefit the treatment facility's daily effluent quality, especially when it is under construction. The equipment would be a permanent fixture.

Mr. Hammer recommended that before the District commit to purchasing the equipment, the District should authorize Gray & Osborne to prepare a pre-design report to evaluate where the filter would be located, the pipe line and electrical alignments needed and define other issues related to installing the equipment at the WWTP.

Commissioner Thomasson made a motion to direct the General Manager to discuss the purchasing of the equipment package with AWWD and authorize Gray & Osborne to perform a pre-design report for the filter. Commissioner Caine seconded the motion. The motion passed with five (5) yes votes. Commissioner Johnson abstained since he works for AWWD.

***2010 BUDGET
REPORT***

Mrs. Sue Parks reported staff is working on the 2010 Budget with hopes of presenting it to the Board before the end of the year. She asked for comments or requests from the Board

***WASWD 2010
BUDGET***

Commissioner Johnson reviewed the proposed 2010 WASWD Annual Budget with the Board and pointed out items that concern him. He will not be attending the conference.

LEGAL REPORTS

Mr. Milne stated he will be making a presentation at the WASWD Conference on the Lane vs. Seattle topic.

MANAGEMENT REPORTS

Mr. Hammer stated that HCWL is hosting a dinner for their clients at the WASWD Conference and have extended an invitation to the Mukilteo Water and Wastewater District Board of Commissioners, staff and guests attending the conference. Staff will RSVP for the Board. Commissioners McGrath, Thomasson, Caine and Rainville stated they would attend.

COMMISSIONERS REPORTS

Commissioner Rainville reported on the Sno-King Meeting he attended today; the Legislative Agenda was adopted.

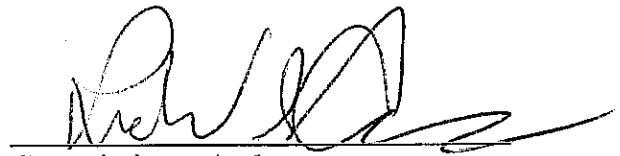
Commissioner Andrews thanked Mr. Milne for his presentation in the executive session.

ADJOURN

There being no further business the President of the Board adjourned the meeting at 8:50 PM.




President/Commissioner Rainville



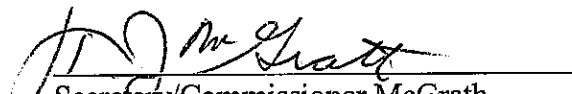
Commissioner Andrews




Vice-President/Commissioner Caine



Commissioner Johnson



Secretary/Commissioner McGrath



Commissioner Thomasson