

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

Minutes of October 6, 2010

The October 6, 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, and
Thomas Rainville
Engineer -- Eric Delfel and Tom Zerkel
Staff -- Dan Hammer, Sue Parks, Gil Bridges and Mary Merriam

Commissioner Johnson made a motion to excuse the absences of Commissioner Caine and Commissioner Thomasson who were attending the WefTec Conference. Commissioner McGrath seconded the motion. The motion passed unanimously.

***APPROVAL OF
AGENDA***

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

***MINUTES
APPROVED***

Commissioner McGrath made a motion to approve the Minutes from the September 14, 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 McGrath seconded the motion. The motion passed unanimously.

Vouchers

Water Maintenance Fund (741-5408666)
Beginning with 2422 through 2428 in the amount of \$22,969.22.

Water Maintenance Fund (741-5408666)
Beginning with 2436 through 2476 in the amount of \$396,552.74.

Water Capital Improvement Fund (741-5458666)
Beginning with 2433 through 2435 in the amount of \$26,375.89.

Wastewater PWTF Fund (741-58558666)
Beginning with 2430 through 2433 in the amount of \$285,896.79.

Wastewater Maintenance Fund (741-58408666)
Beginning with 2437 through 2452 in the amount of \$23,152.98.

Wastewater Capital Improvement Fund (741-58468666)
Beginning with 2434 through 2436 in the amount of \$38,881.90.

East Wastewater Maintenance Fund (741-59418666)
Beginning with 0315 through 0319 in the amount of \$121,246.67.

Regular Payroll

Regular Payroll for September 2010 in the amount of \$136,421.75 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.

Customer Notices Tracking Report

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

Accepting Developer Extension Agreements as Complete

***Presbyterian Church
Ext. #480
and
Hegge Duplexes,
Ext. #481***

***Resolutions 164-10
and 165-10***

Staff recommended two Developer Extension Agreement Projects be accepted as complete. 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.

Presbyterian Church, Ext. #480 – The developer installed water and sewer improvements for a new building on site. All work has been completed. A \$5,000 deposit was made to cover District expenses all invoices have been paid leaving a balance of \$3,962.28 to be refunded.

Hegge Duplexes, Ext. #481 – Improvements to the water and sewer systems were made for two duplexes on 105th Street in Everett. A deposit of \$2,000 was made; all invoices have been charged and paid leaving a balance of \$1,113.08 to be refunded

Resolutions 164-10 through 165-10 were signed by the Board accepting the Developer Extension Agreements as complete.

BUSINESS ITEMS

***PURCHASE OF
EFFLUENT FILTER
FROM AWWD***

Previously, the Board of Commissioners authorized the General Manager to negotiate with Alderwood Water and Wastewater District (Alderwood) to purchase their surplus effluent filter. On April 7, 2010 the Board authorized spending up to \$170,000 for the purchase and delivery of the filter to the Mukilteo Water and Wastewater District Treatment Plant.

Alderwood and the District have come to an agreement to sell the filter for \$150,000, including tax. Mr. Hammer stated he had received an email from Alderwood today stating their contractor, Apollo Inc., would disassemble and deliver the filter to Mukilteo for \$23,000 including sales tax, which is \$3,000 above the authorized amount.

Commissioner McGrath made a motion authorizing the General Manager to enter into an agreement with Alderwood for the purchase and delivery of an effluent filter for a cost not to exceed \$173,000, including sales tax. Commissioner Rainville seconded the motion. The motion passed with two in favor and one abstained. Commissioner Johnson abstained

**LAMAR DRIVE
WATER SERVICE
FEASIBILITY STUDY**

Mr. Hammer reported that currently, the Mukilteo Water and Wastewater District purchases water for north Mukilteo from the City of Everett through the Mukilteo Boulevard Master Meter. The majority of water purchased through this meter flows through a pressure reducing valve and serves the District's 270 Zone and Reservoir #1 on Park Street. The Lamar hill customers are located at an elevation higher than the 270 Zone and are directly served from the high pressure side of the PRV (pressure reducing valve) on Everett's system pressure.

In 2011 the City of Everett will begin charging the District \$2,500 per month to receive water through a master meter. In 2012 the rate will increase 6% to \$2,650. Everett staff has indicated they intend to recommend that the master meter rate continue to escalate in the future.

The Mukilteo Water and Wastewater District's Water System Plan recommends a Lamar Drive Feasibility Study be prepared in 2010 to evaluate different options to serve the Lamar Drive service area. (Project G-5) The 2010 Budget included \$15,000 to prepare the study. Gray & Osborne provided a Scope of Work for the Lamar Drive Water Service Feasibility Study at a cost of \$14,400.

Discussion was held.

Commissioner McGrath made a motion authorizing Gray & Osborne to prepare a Lamar Drive Water Service Feasibility Study at a cost not to exceed \$14,400. Commissioner Johnson seconded the motion. The motion passed unanimously.

**CURRENT DISTRICT
IT RESOURCES**

Ms. Parks reported that staff had prepared a document, as requested by the Board earlier in the year, showing the current resources and deficiencies of the existing District technology as a prelude to the IT Master Plan.

Discussion was held.

The Board thanked staff for the report which shows where the District is right now.

2008-2009 AUDIT

The State Auditor's Office began the 2008-2009 Audit October 1st. Commissioners Rainville and McGrath agreed to attend the entrance conference on October 12, 2010 at 1:00 PM.

**TRANSFERRING
ACCOUNTS TO THE
CITY OF EVERETT**

Mr. Hammer reported that District staff and Eric Delfel, from Gray & Osborne, have met with the City of Everett staff several times to discuss the transferring of accounts to the City in accordance with the agreements. City staff has presented the District with several options they would be willing to recommend to their elected officials. City staff, up to this time, is unwilling to recommend that the City purchase District sewer capacity in the Wastewater Treatment Facility (WWTF) and interceptors as provided in the agreements.

Mr. Hammer sent a letter to the City on September 23, 2010 related to the contract and provided the Board with a copy of the City's forecast of expenses needed to expand the headworks and Water Pollution Control Facility (WPCF) over the next six years and options the City has put on the table to transfer the accounts.

Mr. Delfel and Mr. Hammer met to consider other options available to reach common ground with the City to transfer both the water and sewer accounts and be reimbursed for the sewer capacity. Mr. Delfel explained four (4) options they had created and provided a memo status report to the Board.

Staff will continue to negotiate with the City of Everett to reach common ground on the transferring of accounts.

**LIFT STATION #5
OFF SITE
MITIGATION AND
BID
AUTHORIZATION**

The District has purchased two 15-foot easements to regain access to Lift Station #5. The access easement parallels Smugglers Creek and is within the stream and a wetland buffer. Being within the buffers requires the District to provide 2,200 square feet of mitigation for damage to the buffer caused by the access road. The District did not purchase enough easement area to allow us to provide buffer mitigation on-site.

On May 19, 2010, Mr. Hammer reported to the Board that the District's environmental consultant had estimated the cost of providing off-site mitigation and 5-years maintenance would be \$35,728. The District would also need to enter into an interlocal agreement with the City for the City to install the mitigation. Since that date staff has been able to reduce the mitigation cost to \$12,078.

Mr. Hammer stated that the attorneys for the City and District are discussing if an Interlocal Agreement is needed or if the permit could be modified to have the cost be a permit condition and the responsibility of the District.

Commissioner Johnson made a motion authorizing the General Manager to enter into an interlocal agreement or by permit pay the mitigation fees to the City of Mukilteo to provide buffer mitigation at a cost not to exceed \$12,078 and authorize the project to go out to bid. Commissioner McGrath seconded the motion. The motion passed unanimously.

OTHER BUSINESS

**ROOF REPAIR 806
5TH STREET
BUILDING**

Previously staff and the Board have discussed needed repairs to the roof of the 806 5th Street Building. It was approved for the tenant to obtain three (3) roof repair proposals for District review and selection of a company to do the work in exchange for rent credit. The tenant, The Mukilteo Beacon, provided three quotes.

Commissioner McGrath made a motion authorizing the General Manager to prepare a letter agreement with the tenant to have the work performed by Quality Walls, option #3, installing #1 shakes and new coping for a total of \$8,924.25, including sales tax, in exchange for rent credit for approximately 5 months. Commissioner Johnson seconded the motion. The motion passed unanimously.

MANAGEMENT REPORTS

Mr. Hammer reported that employee Eric Overton slammed his finger in the dump truck tail gate. He is off work on a lost time accident. He may be coming back to work on light duty.

The Harbour Pointe water main connection progress is going slow. The contractor started laying pipe today.

The Big Gulch Close Out Project is waiting for cages before the bridge can be back filled. The cement worker arrived onsite today to form bridge curbs and plan to pour concrete tomorrow. The planting is being done in Segment #2 and the maintenance road should have gravel installed within a couple weeks.

Mr. Hammer stated he and Commissioner Rainville will be meeting with Mr. Gene Matt on October 12, 2010 to discuss pay grade evaluations for four employee positions as previously discussed.

Staff is ordering for new chairs for the Board from the 2010 Budget.

The District has been collecting food for the Mukilteo Food Bank and has had good results.

Mr. John Milne will be attend the October 20, 2010 Board Meeting.

Mr. Hammer will be on vacation from October 21st thru 29th.

COMMISSIONERS REPORTS

Commissioner McGrath stated he talked with Mr. Scott McKinnie, the WASWD's Executive Director, regarding unanswered questions the District has given to the Association. Mr. McKinnie stated he would like to attend a Board Meeting to meet with the Commissioners. Staff will put information in the next agenda packet for the Board to review and discuss.

BOARD OF COMMISSIONERS MEETING

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CONCLUDED

There being no further business the President of the Board concluded the meeting at 8:16 PM.



President/Commissioner Rainville



Commissioner Johnson

Vice-President/Commissioner Caine

Commissioner Thomasson



Secretary/Commissioner McGrath