

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

Minutes of October 7, 2009

The October 7, 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 – Mike Jauhola
Staff -- Dan Hammer, Sue Parks, Gil Bridges and Mary Merriam

***APPROVAL OF
AGENDA***

Consent Agenda Item #2.3 In-House Payroll Procedure was moved to the first Business Item.

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

***MINUTES
APPROVED***

Commissioner Caine made a motion to accept the Minutes from the September 14, 2009 Board Meetings. 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 Thomasson seconded the motion. The motion passed unanimously.

Vouchers

- Water Maintenance Fund (741-5408666)
Beginning with 1644 through 1682 in the amount of \$567,331.97.
- Water Capital Improvement Fund (741-5458666)
Beginning with 1630 through 1632 in the amount of \$14,983.73.
- Wastewater P WTF Fund (741-58558666)
Beginning with 1453 through 1456 in the amount of \$1,098,831.12.
- Wastewater Maintenance Fund (741-58408666)
Beginning with 1651 through 1667 in the amount of \$25,095.77.
- Wastewater Capital Improvement Fund (741-58468666)
Beginning with 1447 through 1452 in the amount of \$173,726.09.
- East Wastewater Maintenance Fund (741-59418666)
Beginning with 0219 through 0223 in the amount of \$150,120.05.
- East Wastewater Capital Improvement Fund (741-59528666)
Beginning with 0218 through 0218 in the amount of \$837.27.

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.

WWTP Aeration Ditch "B" Change Order #1

Change Order #1, with McClure and Sons, allowed for the blower building to be moved 4-inches north and modifications to the mixer mounting masts in an amount of \$4,831, plus sales tax. Staff requested the Board ratify the General Managers decision to approve the Change Order in the amount stated.

Paine Field CIP (Commando Road Change Order #2

Change Order #2, with BDZ Developers, resolves a conflict that occurred with the installation of the sewer main and an existing unknown storm pipe for a lump sum cost of \$1,750 and the correction of misinterpretation of the bid amount for cleaning and grubbing from \$2,000 to \$7,000 for a difference of \$5,000. Staff requested the Board ratify the General Managers decision to approve the Change Order increasing the contract by \$6,750, plus sales tax.

Approve Purchase of Office Furniture

Staff requested authorization to purchase office furniture to make the administration cubicle area more private at an estimated cost of \$5,054.

Approve Voiding Nine Developer Extension Agreements

*Resolutions 120-09
through 128-09*

Nine developer extension agreements were signed over a year ago where there is currently no development progress on the property. Developers have informed staff that they do not have plans to move forward in the next year due to the hard economic times in the construction industry. Staff requested authorization to close the projects and refund any remaining balances. By closing the projects at this time the developers will be required to provide a new Pre-Application and Developer Extension Agreement when development resumes; ensuring that the current owner will sign the latest version of the Agreement. Invoices were generated for any expenses the District had on the project; developer extension agreement books, legal review of pre-applications, staff time, plan review, permits, etc. The projects to be voided are as follows:

Hewett LDMR, Ext. #427 – This project was for four (4) single family houses on 105th Street in Everett. The Developer Extension Agreement was signed in January 2007 and a deposit of \$3,500 paid. In September 2008 the engineer stated the project would likely be sold. A balance of \$2,521.88 remains to be refunded.

Mukilteo South, Ext. #428 – The project projected six (6) single family houses on Campbell Avenue in Mukilteo. The Developer Extension Agreement was signed in February 2007 and a deposit of \$3,000 paid. In June 2008 staff was advised the property had been sold. No contact was made by the new owners. A balance of \$2,296.05 remains to be refunded.

Mukilteo North, Ext. #431 – The project projected eight (8) single family houses on Hill Street in Mukilteo. The Developer Extension Agreement was signed in February 2007 and a deposit of \$4,000 paid. In June 2008 staff was advised the property had been sold. No contact was made by the new owners. A balance of \$3,024.57 remains to be refunded.

Raymond Ridge, Ext. #435 – The project projected twenty-two (22) single family houses on Goat Trail Road in Mukilteo. The Developer Extension Agreement was signed in July 2007 and a deposit of \$5,000 paid. Plans were worked on in May 2009 but the developer advised staff that they will not be moving forward on the project within the next year. A balance of \$2,617.28 remains to be refunded.

Hoy-Prom SP, Ext. #448 – The project was for one (1) single family house on Corbin Drive in Everett. The Developer Extension Agreement was signed in October 2007 and a deposit of \$2,000 paid. A balance of \$1,863.20 remains to be refunded.

Hause SFDU, Ext. #453 – The project was for three (3) single family houses on 107th Street in Everett. The Developer Extension Agreement was signed in February 2008 and a deposit of \$2,000 paid. A balance of \$1,575.92 remains to be refunded.

Washington Avenue SP, Ext. #458 – The project was for two (2) single family houses on Washington Avenue in Mukilteo. The Developer Extension Agreement was signed in April 2008 and a deposit of \$2,500 paid. A balance of \$1,597.12 remains to be refunded.

Paine Field Kilo VI-Castle Cooke, Ext. #463 – This project was for commercial airplane hangars on Snohomish County Airport. The Developer Extension Agreement was signed in July 2008 and a deposit of \$4,500 paid. A balance of \$3,733.92 remains to be refunded.

Bomarc Technology Center, Ext. #465 – The project was for a commercial project at the Bomarc site in Everett. The Developer Extension Agreement was signed in August 2008 and a deposit of \$3,000 paid. A balance of \$2,192.88 remains to be refunded. Mr. Chris Fuesetti of Sierra Construction told staff to close the project.

Staff provided Resolution 120-09 through 128-09 respectively closing the nine projects for Board approval and signing.

Approve Developer Agreement & Authorize Plans to be Signed

*Nguyen Short Plat,
Ext. #440*

The owner submitted a Developer Extension Agreement for Board approval and signing. The Pre-Application and information provided were sent to the attorney for review to make sure they conform to District requirements. The Developer is not requesting reimbursement. A deposit was estimated and paid to cover District expenses including engineering, inspection, legal, permits and administration fees. Plans are being reviewed by staff and the engineer.

NAME:	Mike Nguyen SP, Ext. #440
DEVELOPER/OWNER:	Same
ADDRESS:	98 th Place SW, Everett
SIZE:	2-Lot Short Plat
DEPOSIT AMOUNT:	\$2,000

The Developer will be installing sewer improvements for two duplexes and water services. Staff requested the President of the Board be authorized to sign the Developer Extension Agreement on behalf of the District and the Engineer or General Manager to sign the plans once they meet District requirements.

Employee Training

Employee Brandon Henson requested authorization to become certified as a Backflow Assembly Tester by attending a WETRC class and test at a cost of \$595. Expenses would also include hotel and food estimated at \$215.

Authorize Leak Credit Adjustment Request

The customer at 10710 4th Avenue West, Everett discovered a leak in their service line. The entire line between the house and meter was replaced. This account is being billed as a multi-family unit which water consumption affects the sewer charges. Since the leak was in the service line and the excess water did not enter the sewer system an adjustment was made to the sewer charges. Using the standard calculations staff determined that \$586.63 is the maximum allowable credit for the account.

BUSINESS ITEMS

**REQUEST TO
PERFORM
PAYROLL IN-
HOUSE**

Ms. Parks reported that currently Snohomish County processes the District's payroll but the amount of work that the District has to do in preparation for the County has increased over the last few years. Earlier this year staff began processing payroll through the Springbrook program, creating payroll reports that the County uses to

issue checks. Ms. Parks requested authorization for staff to process payroll completely in-house starting January 1, 2010. Ms. Parks is working with the State Auditor's office and Snohomish County regarding changing the process.

Discussion was held regarding the process and internal controls. Staff will provide the procedures/policy and a draft resolution for the Board to review.

***BIG GULCH
UPDATE***

Mr. Hammer reviewed Mr. Camp Fuller's October 2, 2009 Project Update with the Board. The contractor has completed the installation of the 101st Street 12-inch HDPE pipe and there are no sags in the line.

On September 29th and 30th a Performance Test took place on the 20-inch FPVC. Mr. Rick Matthews provided a presentation showing pictures of the testing.

Mr. Hammer stated that if the hydrostatic testing meets specifications, the District should expect to see a formal written proposal from HCWL accepting both pipes. Discussion was held.

***AGREEMENT FOR
TESTING
SERVICES WITH
CITY OF
ARLINGTON***

As approved at a previous meeting the District's attorney drafted an agreement that would allow for testing services to be performed for other agencies for a fee. The City of Arlington has reviewed, approved and signed the agreement and would like Mukilteo Water and Wastewater District to conduct biosolids fecal coliform-MPN testing.

Discussion was held regarding the Schedule of Work and the number of days the District would have to provide test results.

Commissioner Caine made a motion authorizing the General Manager to sign the agreement for Testing Services between Mukilteo Water and Wastewater District and the City of Arlington. Commissioner McGrath seconded the motion. The motion passed with five (5) ayes. Commissioner Johnson voted nay.

***ALDERWOOD
WATER CONTRACT
UPDATE***

On October 1, 2009 Alderwood Water and Wastewater staff met with wholesale customers. The Wholesale Customers provided a revised draft contract for supplying water to AWWD that was discussed. Mr. Milne and Mr. Hammer attended the meeting. Alderwood will take the draft contract to their Board of Commissioners to discuss. Issues regarding cities assuming Alderwoods's regional facilities after an annexation need to be resolved. The next meeting is scheduled for October 29, 2009

***EXECUTIVE
SESSION***

Mr. Hammer and Mr. Milne requested an executive session to discuss the Staybridge Suites sewer connection charge as that matter involved potential litigation and the Smugglers Gulch access to Lift Station #5 as that matter was pending litigation. Following discussion, Commissioner Andrews made a motion to convene an executive session pursuant to RCW 42.30.110(1)(i) to discuss those matters. Commissioner Caine seconded the motion which was carried unanimously. Before convening the executive session at 8:30 p.m., Commissioner Rainville advised that the executive session would be concluded at 9:10 p.m. At 9:10 p.m., Commissioner Rainville extended the executive session to 9:20 p.m. which was publicly announced. At 9:20 p.m., the executive session was concluded and open public meeting was reconvened.

***STAYBRIDGE
SUITES UPDATE***

Following discussion, relative to the Staybridge Suites matter, Commissioner Andrews made a motion to authorize and direct the General Manager and Mr. Milne to continue to discuss and resolve the sewer connection charge matter with the Staybridge Suites developer and its counsel and to keep the Board further advised. Commissioner Thomasson seconded the motion which was carried unanimously.

***EASEMENT
ACQUISITION
UPDATE***

Following discussion, relative to the Smugglers Gulch access to Lift Station #5 matter, Commissioner Caine made a motion to approve the terms and conditions of proposed settlement agreements with Fenton and Takisaki to acquire certain easement interests as recommended by the General Manager and to authorize the General Manager to sign the settlement agreements on behalf of the District. Commissioner Andrews seconded the motion which was carried unanimously.

COMMISSIONER REPORTS

Commissioner McGrath asked about the status of the Job Descriptions and requested they be completed prior to the Budget review.


Commissioner Caine thanked the General Manager and attorney Grant Weed for their efforts to acquire access easements to Lift Station #5 to avoid spending up to \$1 million to re-build the private roadway.

ADJOURN

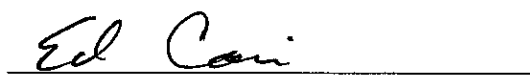
There being no further business the President of the Board adjourned the meeting at 9:30 PM.



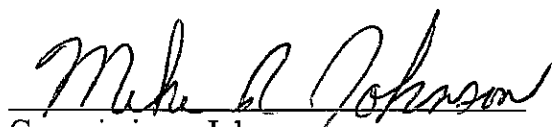
President/Commissioner Rainville



Commissioner Andrews




Vice-President/Commissioner Caine



Commissioner Johnson



Secretary/Commissioner McGrath



Commissioner Thomasson