

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

Minutes of October 14, 2009

The October 14, 2009 Regular Meeting of the Board of Commissioners was called to order at 7:05 PM in the District office.

PRESENT

Commissioners - Dick Andrews, Ed Caine, Mike Johnson, Thomas McGrath, Thomas Rainville and Joan Thomasson
Attorney - John Milne
Engineer - Eric Delfel
Staff - Dan Hammer, Sue Parks, Gil Bridges and Joann King

***APPROVAL OF
AGENDA***

Agenda Item #4-Performing Payroll In-House Policy and Procedures removed from the Agenda and was replaced with a Purchasing Cards Item.

Commissioner Thomasson made a motion to approve the Agenda as revised. Commissioner Andrews seconded the motion. The motion passed unanimously.

***MINUTES
APPROVED***

Commissioner Johnson made a motion to accept the Minutes from the October 7, 2009 Board Meeting. Commissioner Caine seconded the motion. The motion passed unanimously.

CONSENT AGENDA

Commissioner McGrath had questions regarding the format and accuracy of Item 2.5, Sewer Service Connection Report. Discussion followed. After reviewing the report Ms. Parks stated she would have staff look into developing a more simplified report.

Regarding Item 2.1, Vouchers, Commissioner Johnson asked if the work for which there was a payment to S&B Inc. was previously approved work. Mr. Hammer replied that it was.

After review of the Consent Agenda Items, Commissioner McGrath 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 1683 through 1715 in the amount of \$189,581.38.

Water Maintenance Fund (741-5408666)
Beginning with 1716 in the amount of \$28,600.53.

Water Capital Improvement Fund (741-5458666)
Beginning with 1718 in the amount of \$583.00.

Wastewater Maintenance Fund (741-58408666)
Beginning with 1691 in the amount of \$17,109.79.

Wastewater Maintenance Fund (741-58408666)
Beginning with 1678 through 1689 in the amount of \$7,262.08.

Wastewater Capital Improvement Fund (741-58468666)
Beginning with 1668 through 1671 in the amount of \$10,263.19.

East Wastewater Maintenance Fund (741-59418666)
Beginning with 0225 through 0228 in the amount of \$2,224.61.

East Wastewater Maintenance Fund (741-59418666)
Beginning with 0229 in the amount of \$932.49.

East Wastewater Capital Improvement Fund (741-59528666)
Beginning with 0224 in the amount of \$4,930.79.

Regular Payroll

Regular Payroll for October 2009 in the amount of \$138,161.77 was approved.

Discharge Monitoring Report

The September 2009 Discharge Monitoring Report was reviewed.

Adjustments to Customer Accounts

The Board reviewed the September 2009 Customer Account Adjustment Form which indicated 18 accounts were adjusted. The President of the Board was authorized to sign the form.

Service Connection Summaries

The Board reviewed the September 2009 Water Service Connection Report which indicated 23 new services were installed and no additional units, which increases the total new services for the year to 86.

The September 2009 Sewer Service Connection Report indicated 17 new services were installed on the Eastside and 6 were installed on the Westside for a total of 23 new services installed.

Tracking of Past Due Accounts

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

Purchase Request-Pipe Locator

Staff requested authorization to purchase new pipe locators, a ventilator, fuel transfer pump, and two new fuel flow meters for an estimated \$4761.82.

Acknowledge Employee Accomplishment

The Board reviewed a letter of recognition to Brianna Sheppard for passing the Wastewater Treatment Plant Operator-Group II examination. The President was authorized to sign the letter along with the General Manager.

BUSINESS ITEMS

DISTRICT HEALTH CARE

Ms. Parks explained that the two plans the District currently offers will have rate increases in 2010. The Group Health Plan 1 will go up 5%, and the Regence Plan A will increase 10%. Ms. Parks also reported that the Regence Plan A will be discontinued by the Districts insurance carrier at the end of 2011. District Staff researched alternatives to save premium costs while still providing employees with adequate medical coverage. Staff had a meeting with employees to explain the two proposed new plans and reportedly received no negative feedback. The proposed Regence Plan is a Preferred Provider Plan with co-pays for the employees at the time of service.

Staff recommended the District change from Regence Plan A to Healthfirst, and Group Health Plan 1 to Plan 2, and to continue to pay full premiums for 2010. The proposed plans will save the District approximately \$52,093.56 in employee health care premiums.

Commissioner Caine had questions regarding the number of visits for mental health/psych/chemical dependency, and asked for an explanation of how those services would be paid under the Regence Healthfirst plan. Ms. Parks commented that would depend on the service, and reviewed the percentages of hospital services and physician services as shown on the plan comparison sheet.

Commissioner Johnson made a motion to authorize the General Manager to sign an amended Master Participation Agreement indicating the change from Regence Plan A to Healthfirst and Group Health Plan 1 to Plan 2. Commissioner Andrews seconded the motion. The motion passed with 5 yes votes. Commissioner Caine abstained due to lack of information.

PURCHASING CARDS

Ms. Parks stated the District had received notification from WA State Dept of General Administration that the JP Morgan Chase visa purchasing card program the District is currently participating in will be cancelled effective November 1, 2009. Staff requested the Board approve participation in the US Bank purchasing program which is the replacement program being offered. Ms Parks mentioned it should take approximately 30 to 60 days to receive the new purchasing cards.

Commissioner Johnson made a motion to approve participation in the

BOARD OF COMMISSIONERS MEETING

October 14, 2009

PAGE 4

US Bank purchasing card program, to authorize the Board President and Vice-President to sign the Certificate of Authority, and to authorize the General Manager and Districts Attorney to sign the Political Subdivision Addendum. Commissioner Thomasson seconded the motion. The motion passed unanimously.

***EXECUTIVE
SESSION
STAYBRIDGE
SUITES***

Mr. Hammer and Mr. Milne requested an executive session for and estimated five to ten (5-10) minutes at 7:26 pm to discuss the Staybridge Suites sewer connection charge pursuant to RCW 42.30.110(1)(i), as that matter involved potential litigation. The executive session was concluded and open public meeting was reconvened at 7:34 pm.

***STAYBRIDGE
SUITES ACTION
ITEM***

Following executive session discussion, relative to the Staybridge Suites matter, Commissioner Thomasson made a motion to approve the connection charge in the context of the settlement agreement with the Mukilteo Hotel, LLC, and authorize the General Manager to sign the settlement agreement as was discussed in executive session. Commissioner Johnson seconded the motion, which was carried unanimously.

Commissioner Caine made a motion to authorize the General Manager to approve the voucher payable to Mukilteo Hotel, LLC, which is the parent company of Staybridge Suites, in the amount of \$267,408.35. Commissioner McGrath seconded the motion. The motion passed unanimously.

Mr. Hammer acknowledged the Districts attorney, John Milne, for his efforts and diligence in settling the dispute. He also mentioned this issue brought into focus the need for the District to have the connection charges and the hotel/motel sewer rates to be looked at and likely changed. Commissioner Johnson confirmed that Staff would recommend a scope of work from the consultant for Board consideration prior to moving forward.

***ENGINEERING
REPORT***

Mr. Delfel stated he had been invited to attend a meeting regarding the City of Everett Wastewater Treatment Plant capital expenditures and will report back with anything of interest to the District.

***MANAGEMENT
REPORT***

Mr. Hammer mentioned the easement acquisition for Smugglers Gulch Lift Station #5 access has exceeded the current budget and that staff would be requesting to expand the budget at the next meeting.

BOARD OF COMMISSIONERS MEETING

October 14, 2009

PAGE 5

**COMMISSIONERS
REPORT**

Commissioner Caine thanked Mr. Hammer and Mr. Milne for their diligence in working on the Smugglers Gulch easement acquisition, and in settling the Staybridge Suites issue. He also mentioned the good work put forth in adding the "Citizen Comments" section at the bottom of the Board Meeting Agenda.

Commissioner Rainville mentioned the Districts SnoKing membership renewal is coming up soon. He stated he believes the \$4000.00 per year membership pays for a lot of benefits, and he would like our membership to continue. He stated he needs only Board consensus to start the membership process for 2010. The Board agreed.

ADJOURN

There being no further business the President of the Board adjourned the meeting at 7:45 PM.



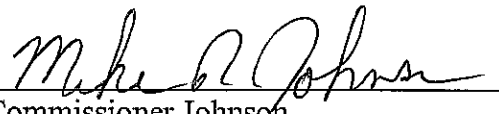
President/Commissioner Rainville



Commissioner Andrews



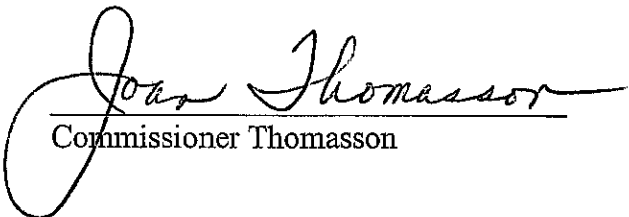
Vice-President/Commissioner Caine



Commissioner Johnson



Secretary/Commissioner McGrath



Commissioner Thomasson