

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

Minutes of December 15, 2010

The December 15, 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
Engineer – Mike Jauhola
Staff -- Dan Hammer, Sue Parks, Gil Bridges, Rick Matthews and
Mary Merriam
Audience – Rod Koon, Win Lessley, Nabil Messak

APPROVAL OF AGENDA

A revised agenda was presented which moved Item #7, Transfer of Account to the City of Everett to Item #3 and changed the previous Item #3, Request to Purchase Water and Sewer Permits from the City of Everett to Item #3.1. The revisions were made so staff could inform the Board of Commissioners of the most recent developments from the meeting held today between the City of Everett and Mukilteo Water and Wastewater District regarding the proposed transfer of accounts to the City, which was related to Item 3.1, the topic the audience was in attendance to discuss.

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

MINUTES APPROVED

Commissioner McGrath made a motion to approve the Minutes from the December 1st and 8th, 2010 Board Meetings. 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 2644 through 2678 in the amount of \$377,860.34.

Water Maintenance Fund (741-5408666)
Voucher number 2679 in the amount of \$18,172.56.

Water Maintenance Fund (741-5408666)
Voucher number 2680 in the amount of \$18,050.02.

Water Capital Improvement Fund (741-5458666)
Voucher number 2641 in the amount of \$105,723.86.

Water Capital Improvement Fund (741-5458666)
Voucher number 2681 in the amount of \$39,840.63.

Water Capital Replacement Fund (741-5478666)
Voucher number 2643 in the amount of \$1,570.34.

Wastewater Maintenance Fund (741-58408666)
Beginning with 2525 through 2539 in the amount of \$24,623.37.

Wastewater Maintenance Fund (741-58408666)
Voucher number 2543 in the amount of \$14,619.80.

Wastewater Capital Improvement Fund (741-58468666)
Beginning with 2540 through 2542 in the amount of \$4,238.56.

Wastewater PWTF Fund (741-58558666)
Beginning with 2521 through 2523 in the amount of \$591.35.

East Wastewater Maintenance Fund (741-59418666)
Beginning with 0334 through 0338 in the amount of \$3,227.03.

East Wastewater Maintenance Fund (741-59418666)
Voucher number 0339 in the amount of \$3,227.03.

Approve Discharge Monitoring Report

The Board reviewed and approved the November 2010 Discharge Monitoring Report, Noncompliance Notification and the D.O.E. Warning Letter.

Adjustments to Customer Accounts

The Board reviewed the November 2010 Customer Account Adjustment Form which indicated 10 accounts were adjusted. The President of the Board was authorized to sign the form.

Investment Report

The Board reviewed and approved the November 30, 2010 Investment Funds Report.

COLA Salary Adjustments for 2011 – Resolution 169-10

The Board reviewed and approved Resolution 169-10 which adjusted salaries with a .4% COLA increase for employees who are currently within the pay amount for their Grade and Step in the 2011 Salary Matrix. Employees receiving compensation above their Step amount will not receive a COLA. One employee was approved to advance a Step from 5 to 6 in Grade 12.

Approve Vehicle Purchase

Replacement of the 2001 ¾ ton Dodge truck with a 2011 Ford Escape 4X4 at a cost of \$22,344.57 as approved in the 2010 Budget was approved by the Board of Commissioners.

BUSINESS ITEMS

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

Commissioner Caine stated he believes the letter Mr. Hammer sent to the City on December 8, 2010 revealed information discussed in the executive session held on December 1, 2010 and he was very upset.

Mr. Hammer stated that the letter to the City of Everett reflected the direction he believed the Board had authorized him to make to the City transferring the water assets and keeping the sewer assets in the Airport Road annexation area.

A meeting was held with the City of Everett today regarding the transfer of accounts to the City. The City tentatively agreed to the option that the District transfer water assets to the city in the annexation area effective January 1, 2011.

Discussion was held.

Commissioner McGrath asked if the City could request the transfer of sewer accounts by the District to the City at a later date. He was informed that the city could later make that request.

Commissioner McGrath made a motion authorizing and directing the General Manager, consulting engineer and counsel to prepare a resolution for Board consideration and adoption at the January 5, 2011 regular meeting approving, effective January 1, 2011, the transfer of District water customers and facilities in the Airport Road Annexation area to the City of Everett consistent with the terms and conditions of the Annexation Agreement dated May 23, 1984 between the City of Everett and the District. Commissioner Rainville seconded the motion. The motion failed with five (5) nay votes.

Commissioner Johnson stated the Board needs to discuss the proposed transfer of District facilities and accounts further with the District's attorney.

***REQUEST TO PURCHASE
PERMITS FROM THE
CITY OF EVERETT***

Mr. Nabil Messak, Mr. Rod Koon and Mr. Winn Lessley were present to discuss their properties that are within the Airport Road annexation area. Mr. Messak has a duplex, Mr. Koon eight (8) homes and Mr. Lessley three (3) homes. The developers stated that District and City staff had advised them that the city planned to assume District water and sewer facilities in the annexation area in August, 2010, and water and sewer permit fees were calculated accordingly. Mr. Koon stated that the cost difference between the two agencies was substantial.

Discussion was held.

Commissioner Caine requested the Board go into an executive session for approximately 10-minutes to discuss the terms and conditions of the proposed transfer of the District's facilities and customers in the annexation area to the City.

At 7:40 PM Commissioner Rainville stated the Board would go into executive session for approximately 10 minutes to discuss the issues related to the proposed transfer of the District's utility facilities and customers in the annexation area to the City and purchasing of water and sewer permits for the properties in question. At 7:50 the executive session was concluded and the open public meeting was reconvened.

Commissioner Johnson stated that based on new information received tonight the Board wants to discuss the connection charges for the annexation area and options the Boards wants to pursue with the potential to make a decision regarding the transfer of accounts to the City of Everett with the District's attorney. Holding a special meeting to discuss that was recommended.

The General Manager will check with the attorney to determine when a special meeting can be held. The three members of the audience stated they could be available any night next week to attend a special meeting.

ELECTION OF OFFICERS

Commissioner McGrath made a motion for the officers of the Board of Commissioners stay the same in 2011. Commissioner Johnson seconded the motion. The motion passed unanimously. Staff will provide a resolution for signing at the next regular meeting.

***WASWD 2011
COMMISSIONERS'
WORKSHOP***

All Commissioners requested to be registered for the WASWD 2011 Commissioners' Workshop to be held at the Embassy Suites Hotel in Lynnwood. The cost is \$85 per person which will be paid by Enduris, the District's insurance company.

***MONTHLY WATER
CHARGE INCREASE
RESOLUTION 170-10***

The 2011 wholesale water rate for water purchased from the City of Everett is scheduled to increase effective January 1, 2011. Draft Resolution #170-10 was developed to pass the City of Everett's \$.13 per 1,000 gallon increase to District customers and a new master meter charge has been implemented. Resolution #A-1599, Section 2 indicates that all increases in wholesale water rates will be passed on to District customers.

Commissioner Caine made a motion to approve Resolution 170-10, which amends Section 2 of Resolution A-1599 revising monthly water charges and repeals Resolution 133-10. Commissioner McGrath seconded the motion. The motion passed unanimously.

***BIG GULCH CLOSE-OUT
PROJECT***

ACCEPT AS COMPLETE

Mr. Hammer reported that the contractor has completed all the work except a curb on the bridge that will be completed tomorrow which is about \$1,400 worth of work. The engineer, HCWL, provided a letter recommending the District accept the project as complete.

In order to complete the project in 2010, staff recommended that the Board of Commissioners pass a motion authorizing the General Manager to sign and process Payment Estimate #6 as the final contract voucher once the work is complete and ready for final acceptance. Staff would bring a resolution to the Board for approval at the next regular meeting stating the project is complete and document the start of the 45-day retention period.

Reasons to close the project in this manner is that the project is complete, the project would not be carried into the 2011 financial period, the PWTF Loan closes in 2010, it keeps costs down and the contractor would not need to renew their bond.

Commissioner Thomasson made a motion authorizing the General Manager to sign and process the Progress Payment Estimate No. 6 and the Final Contract Voucher Certificate when he feels the work is complete and ready for final acceptance. Commissioner Johnson seconded the motion. The motion passed unanimously.

***PAINIE FIELD SEWER
DISPOSAL AGREEMENT***

To establish the team for negotiating the Paine Field Sewage Disposal Agreement Mr. Hammer requested authority to hire Mr. Ed Cebron, a consultant with FCS Group, to join Mr. Milne, Mr. Jauhola and himself. The District has utilized the services of FCS Group previously as the firm has good experience negotiating contract agreements with other agencies. The estimated cost is \$3,000.

Commissioner Johnson made a motion authorizing the General Manager to hire Mr. Ed Cebron of FCS Group to assist in negotiating the Paine Field Sewerage Disposal Agreement for the District. Commissioner Thomasson seconded the motion. The motion passed unanimously.

Commissioner Caine asked if the cost went over \$5,000 would it be brought back to the Board for approval. Mr. Hammer advised him that he would keep the Board informed on the status of the negotiations and the cost for the consultant. If the cost exceeded the estimated amount the Board would be notified.

***PARKING IN
ADMINISTRATION
BUILDING LOT FOR
NON-DISTRICT
BUSINESS***

Commissioner Thomasson stated she has concerns about the District's liability with the amount of cars parking in the administration building parking lot after regular District business hours and suggested placing notices on the cars each day for a week and then start towing unauthorized vehicles.

Commissioner Rainville discussed that an employee would need to be present to identify unauthorized vehicles and contact the towing agency which could be quite costly.

Commissioner Caine stated he would like to have a policy developed to tow unauthorized vehicles parked on District property.

Commissioner Johnson stated that concerns regarding parking were discussed prior to the construction of the building. A solution maybe would be to provide a turn around, put up a gate and move the payment box.

Commissioner Caine stated that in the interim the cars should be towed.

Staff is to let the Mukilteo Lodge owner know that the District is concerned about vehicles parking on District property and the potential liability it creates for the District. A draft policy prepared by staff shall be presented to the Board by the second meeting in January 2011. Staff will check with the City of Mukilteo to find out if any permits are required to install a gate.

MANAGEMENT REPORTS

Sue Parks advised the Board that security devices had been installed in the building and a portable unit is available as part of the security project.

Rick Matthews reported on the status of the Harbour Pointe/Alderwood Water Project which is nearly complete and that pot-holing existing utilities is being performed for the Lift Station #5 Project.

COMMISSIONERS REPORTS

Commissioner Caine thanked Mike Jauhola and Rick Matthews for the information they contributed in the executive session which was very helpful.

**GENERAL MANAGERS
ANNUAL REVIEW**

At 8:38 PM Commissioner Rainville stated that in accordance with RCW 42.30.100(g) the Board would go into executive session for approximately 10 minutes to discuss and review the performance of the General Manager. At 8:48 the executive session was extended for forty (40) minutes by public announcement. At 9:21 PM the executive session was concluded and the open public meeting was reconvened.

CONCLUDED

There being no further business the President of the Board concluded the meeting at 9:22 PM.



President/Commissioner Rainville



Commissioner Johnson



Vice-President/Commissioner Caine



Commissioner Thomasson



Secretary/Commissioner McGrath