

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

Minutes of December 16, 2009

The December 16, 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 Parnass
Engineer – Mike Jauhola
Staff -- Dan Hammer, Sue Parks, Gil Bridges, Roger Darling and Mary Merriam

***APPROVAL OF
AGENDA***

Commissioner McGrath requested Consent Agenda Item #2.3 be pulled and moved to Business Item 3A for discussion.

Commissioner Thomasson 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 November 18, 2009 Board Meeting. Commissioner McGrath seconded the motion. The motion passed with yea votes from Commissioner's Andrew, Caine, McGrath and Rainville. Commissioner's Thomasson and Johnson did not vote since they did not attend the meeting.

Commissioner Johnson made a motion to accept the Minutes from the December 2, 2009 Board Meeting. Commissioner Caine seconded the motion. The motion passed with yea votes from Commissioner's Andrew, Caine, Johnson, Rainville and Thomasson. Commissioner's McGrath did not vote since he did not attend the meeting.

CONSENT AGENDA

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 001 through 018 in the amount of \$139,171.77.

Water Maintenance Fund (741-5408666)
Beginning with 001 through 001 in the amount of \$14,039.58.

Water Capital Improvement Fund (741-5458666)
Beginning with 001 through 001 in the amount of \$4,100.00.

Wastewater PWTF Fund (741-58558666)
Beginning with 001 through 001 in the amount of \$975.00.

Wastewater Maintenance Fund (741-58408666)

Beginning with 001 through 010 in the amount of \$10,968.37.

Wastewater Maintenance Fund (741-58408666)

Beginning with 001 through 001 in the amount of \$15,313.36.

Wastewater Capital Improvement Fund (741-58468666)

Beginning with 001 through 003 in the amount of \$86,719.23.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 001 through 005 in the amount of \$1,856.47.

East Wastewater Maintenance Fund (741-59418666)

Beginning with 001 through 001 in the amount of \$330.19.

East Wastewater Capital Improvement Fund (741-59528666)

Beginning with 001 through 001 in the amount of \$6,912.20.

Regular Payroll

Regular Payroll for December 2009 in the amount of \$136,374.45 was approved.

Adjustments to Customer Accounts

The Board reviewed the November 2009 Customer Account Adjustment Form which indicated 10 accounts were adjusted. The President of the Board was authorized to sign the form.

Service Connection Summary

The Board reviewed the November 2009 Water Service Connection Report which indicated five (5) new services were installed and no additional units, which increases the total new services for the year to 104. The Sewer Connection Report indicated four (4) new services were installed and no additional units.

Tracking of Past Due Accounts

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

Investment Report

The Board reviewed the October 31, 2009 and November 30, 2009 Investment Funds Reports.

Surplus District Property – 1995 Ford Camel

Resolution 132-09

The Board approved staffs request to contact James G. Murphy Inc. to sell the 1995 Ford Camel at their consignment auction in February 2010. The commission on the sale will be 10%. Resolution 132-09 was signed declaring the vehicle surplus and authorizing the General Manager to sell the vehicle at the auction.

BUSINESS ITEMS

***DISCHARGE
MONITORING
REPORT***

Commissioner McGrath expressed concern about the District being out of compliance with our NPDES permit. He asked for clarification on the November 2009 Discharge Monitoring Report which stated that for 27 days the District was out of compliance. Gil Bridges stated the source of high TSS has not been determined. The District has been trying to find the source for the quite some time. Recent monitoring activities indicate that November had heavy rainfall of 10-inches that cleaned out the lines and could have been part of the problem. Mr. Hammer stated that the inlet flow coming into the treatment plant system has been reduced because less I&I is entering the sewer system. The Big Gulch Project and Lift Station #14 have helped reduce I&I.

Commissioner McGrath made a motion to accept the November 2009 Discharge Monitoring Report as presented. Commissioner Thomasson seconded the motion. The motion passed unanimously.

***BIG GULCH – HDD
CLAIM***

Due to the HDD Company's claim for differing site conditions Mr. John Parnass recommended the Board enter into an executive session to discuss the potential litigation and receive legal advice pursuant to RCW 42.30.110(1)(i).

At 7:15 PM Commissioner Rainville stated the Board would go into executive session for approximately 30 minutes. At 7:45 PM Commissioner Rainville came out to announce the executive session was being extended another 20 minutes. At 8:05 PM Commissioner Rainville announced an extension of 10 minutes. At 8:15 PM Commissioner Rainville announced an extension of 15 minutes. At 8:30 PM the open public meeting was reconvened.

2010 BUDGET

Commissioner Andrews read a memo he had written to the Board of Commissioners recommending the HRA/VEBA benefits for the Commissioners be deleted from the 2010 Budget because he believes it is extraordinary gifting of public funds. He asked that his memo be attached to the minutes.

Commissioner Andrews made a motion to delete HRA/VEBA benefits for the Board of Commissioners in 2010 due to the economic state and the necessity of increasing water and sewer rates 20% in the next year. Commissioner McGrath stated he would like to amend the motion to cut the HRA/VEBA benefit in half for the Commissioners. Commissioner Andrews stated that was a reasonable modification. Commissioner McGrath seconded the motion.

Commissioner Rainville stated he had calculated the benefit cost per District customer per year to be \$8.40. Some discussion was held. Commissioner Rainville called for the question. The motion failed with Commissioners Johnson, Rainville, Caine and Thomasson voting nay. Commissioner Andrews and McGrath voted aye.

The 2010 Capital, Operation and Maintenance Budget and Wage Recommendations were reviewed. Mr. Hammer thanked staff for their work completing the budget. Staff provided the Commissioners with a memo dated December 16, 2009 recommending staff salary adjustments to be effective, once approved by the Board or as modified and approved by the Board, January 1, 2010.

Discussion was held. The Board had several comments, questions, concerns and requested more information. Staff will review the questions and bring the Budget back at the next meeting.

Commissioner Johnson suggested a special work session be held in January to review the budget.

***WASWD
COMMISSIONER
WORKSHOP***

WASWD will be holding their 2010 Commissioners' Workshop on January 23, 2010 at the Embassy Suites Hotel in Lynnwood. Cost is \$85 per person. All five Commissioners stated they would like to be registered for the workshop.

2010 CALENDAR

Gray & Osborne provided a 2010 Calendar marked with board meetings, conferences and District holidays. The Board would like the regular scheduled second meetings for the months of April and September to be changed to the third Tuesday due to conflicts with conferences. The calendar will be changed and meetings advertised for Tuesday, April 20 and Tuesday, September 14, 2010.

ENGINEERING REPORTS

Mr. Jauhola stated that surveying of Harbour Pointe Boulevard for the design of the AWWD water supply project is being performed. Surveying is also being done for the new access road to Lift Station #5.

MANAGEMENT REPORTS

Mr. Hammer reported he had approved a Change Order for Ditch B to strengthen the canopy cross bracing; replacing the cross member that had been removed several years ago. The cost is \$1,557 plus tax.

On Saturday, December 12, 2009 the District had a 4-inch water main break on Dakota Way in south Everett. Staff repaired the water main and no property was damaged.

The City of Everett notified the District of their intent to take over the 2000 Annexation area by August 2010.

Mr. Hammer stated he has asked Kathy Weber of Inslee Best to review and update the District's Employee Manual. It does not appear that Mr. Rodda will be returning to work in the near future.

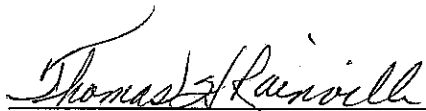
COMMISSIONERS REPORTS

Commissioner Caine stated that the District needs to plan adequately and evaluate all aspects before implementing a plan or project.


Commissioner Rainville made a presentation thanking Commissioner Andrews for his 12-years of service as a Commissioner. The District presented him with a plaque.

ADJOURN

There being no further business the President of the Board adjourned the meeting at 9:35 PM.



President/Commissioner Rainville



Commissioner Johnson



Vice-President/Commissioner Caine



Commissioner Thomasson



Secretary/Commissioner McGrath

To: Mukilteo Water and Wastewater District

Board of Commissioners

From: Commissioner Richard Andrews

Subject: Motion to delete the HRAVEBA benefits from the 2010 budget

As I complete my term of office, there still is one concern I have as an elected representative of the rate payers of which I have served for the past twelve years. That concern is the approval by the Board to receive HRAVEBA benefits. It isn't the fact that the Board is receiving these benefits, but more importantly the amount of the benefits received, and the subsequent cost impact to the rate payers of the district.

If you recall, I made a motion during the approval of the 2009 budget proceedings to delete the HRAVEBA benefit package from the budget and the Board, in a majority, turned down the motion. Once again I am bringing the issue up to the Board and plan to do what is necessary to bring this to a vote of the Board.

I therefore am making a motion to strike the HRAVEBA benefits from the 2010 budget.

I am making this motion because I feel that it is unjust to ratepayers to suffer the burden of compensating the Commissioners for these benefits considering the extraordinary cost to the ratepayers.

When you look at the benefits, the benefits that each commissioner will receive per meeting as identified in the 2010 budget is an hourly rate of \$300.00 per hour in addition to the additional \$104 that is received to attend the meeting. That makes the total financial benefit received by each commissioner for attendance at each meeting a grand total of \$704.00.

As a concerned Commissioner, I believe that the rate payers in these desperate times should not have to suffer the cost of what I would consider unnecessary and extraordinary gifting of public funds. We all know that these are very difficult economic times and by the looks at the growing list of people that are behind on their water and sewer bills this is what I would consider something that this Board should consider changing to show our willingness to address these challenging times.

I feel it is also important to reduce cost where ever possible since the Board is facing increasing the Water and Sewer rates approximately 20 % in this next year.

As a concerned Commissioner and ratepayer, I believe that these cost shouldn't be placed on the shoulders of the ratepayers and that the Board should strike it from the 2010 budget.

I also feel it is important that I express as a matter of principle, that prior to the election I made my intentions known to the District Manager and Chief Finance Officer that I was going to make this motion no matter if I won or lost the election.

Rec'd @ Meeting 12/16/09 mlu