

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

Minutes of December 22, 2010

The December 22, 2010 Special Meeting of the Board of Commissioners was called to order at 5:00 PM in the District office as advertised.

PRESENT

Commissioners -- Ed Caine, Mike Johnson, Thomas McGrath,
Thomas Rainville and Joan Thomasson
Attorney – John Milne
Engineer – Mike Jauhola Eric Delfel
Staff -- Dan Hammer, Sue Parks, Rick Matthews and Mary Merriam
Audience – Mr. Rod Koon, Mr. Nabil Messak & Mr. Winn Lessley

***APPROVAL OF
AGENDA***

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

BUSINESS ITEMS

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

Commissioner Rainville acknowledged the audience who stated they were present to discuss Agenda Item #2.

Due to issues relating to the proposed transfer of utility accounts in the Airport Road area to the City of Everett it was recommended the Board enter into an executive session to discuss potential litigation and receive legal advice pursuant to RCW 42.30.110(1)(i).

At 5:02 PM Commissioner Rainville stated the Board would go into executive session on that basis for approximately 30 minutes to discuss issues regarding the proposed transfer of accounts to the City of Everett. Mr. Eric Delfel and Mr. Mike Jauhola, consulting engineers for the District, Mr. Rick Matthews, Mr. Hammer, Mr. Milne and the Board were included in the executive session. At 5:31 PM Commissioner Rainville publically announced the executive session was being extended another 15 minutes. At 5:46 PM Commissioner Rainville publically announced the executive session was being extended another 15 minutes. At 6:02 PM the executive session was concluded and the open public meeting was reconvened.

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. The District will continue billing for all sewer charges and all itemized assets will be identified in the resolution. Commissioner Caine seconded the motion. The motion passed unanimously.

Mr. Delfel commented that the District had started the process in January 2010 to transfer District water and sewer facilities and accounts in the Airport Road area to Everett under the terms utilized in previous transfers undertaken by the District and the City. However, on August 24, 2010, City staff had informed the District that they wanted to change the terms and conditions of the transfer. The City's change in position resulted in a change in the schedule as to when the City may assume service in the annexation area, and now only proposed a change in the water service provider in the area, but not for sewer.

Mr. Hammer stated that customers in the annexed area would pay water and sewer connections fees to Mukilteo Water and Wastewater District until the end of the year assuming the Board adopts the resolution at the January 5, 2011 Meeting. After January 1, 2011 customers in the annexation area would need to purchase their water permits from the City of Everett and sewer permits from the District.

***CONNECTION
FEES FOR
PROPERTIES
LOCATED IN
ANNEXED AREA***

Commissioner Rainville asked the audience if they had comments regarding connection fees for their properties to please state their name and limit their speaking time to three minutes.

Mr. Winn Lessley stated he understands the District resolution on January 5, 2011 will be transferring water accounts only. He asked if the Board would allow any consideration for the developers present, who he contended had been informed by staff that their water and sewer accounts would be transferred to the City in August 2010, and their projects were budgeted accordingly.

Mr. Milne responded by stating that the District fees and charges as they are stay in effect while the District was still the utility service provider.

Mr. Rod Koon presented the Board with a letter dated December 18, 2010 requesting reduced connection fees. He asked if there could be any consideration or special exemption for the small group of properties caught in the middle of the transfer of accounts.

Mr. Milne stated that after January 5, 2011 that would be up to the Board to consider granting any relief.

Mr. Lessley asked what process would need to be followed.

Mr. Milne stated any request to the Board would need to be put in writing.

Mr. Nabil Messak stated he had purchased his permits from the City and did not understand what he should do next in order to receive water and sewer service at his duplex.

Mr. Milne advised Mr. Messak to talk with staff so that he would understand what he needed to do completely.

Mr. Lessley asked if the attorney or Board could provide any advice to them regarding the fees he had paid to the City of Everett and the inspections performed.

Mr. Milne stated he could not provide any advice.

Mr. Lessley requested a copy of the minutes once they are prepared and approved by the Board of Commissioners.

Commissioner McGrath stated the District is assuming that the City is still willing to go along with the proposal.


Mr. Milne advised staff to receive written confirmation from the City that the City will accept the District's water customers and facilities in the Airport Road area as of January 1, 2011.

CONCLUDED

There being no further business the President of the Board concluded the meeting at 6:19 PM.



President/Commissioner Rainville



Commissioner Johnson



Vice-President/Commissioner Caine



Commissioner Thomasson



Secretary/Commissioner McGrath