

OLYMPUS TERRACE SEWER DISTRICT-MUKILTEO WATER DISTRICT
JOINT BOARD OF COMMISSIONERS
SPECIAL MEETING
February 8, 2007
MINUTES

1. CALL TO ORDER:

The special joint meeting of the Olympus Terrace Sewer District and Mukilteo Water District Board of Commissioners was held at the Mukilteo Water District office on February 8, 2007, at 7:12 p.m. Present at the meeting were Olympus Terrace Sewer District Commissioners Dick Andrews, Ed Caine and Tom Rainville; Mukilteo Water District Commissioners Mike Johnson, Bill Allison and Tom Rainville; Olympus Terrace Sewer District staff Patrick Sorensen, Sue Parks, Gil Bridges, Eric Overton, and Joann Knox; and Mukilteo Water District staff Dan Hammer, Bev Templin, Kevin English, Rick Matthews, and Jared Alexander. Also present was Dave Findlay of consultant from FCS Group.

2. APPROVAL OF AGENDA:

The agenda was approved by both boards.

3. DISCUSS JOINT BENEFITS STUDY:

Item 1-Vacation - Johnson stated the MWD board agreed to using the March 26, 1998 cutoff date for the vacation schedules. Caine stated the boards should look at all benefits as a package and compare them to the other districts. Discussion followed. Andrews stated the boards should be looking at what we have already in place for each district. Johnson stated that adjustments can be made in the future. Concessions will need to be made at this point. Rainville stated that although the pre-1998 vacation schedule is rich, the MWD board would be willing to accept it. Discussion followed. Parks explained the Benefits Comparison report that she created. Andrews stated there doesn't appear to be a lot to gain. Findlay stated benefits studies are ever changing. The real discussion should be consistency. There was general consensus from both boards to use vacation option 1.

Item 2-Holidays – Johnson stated the MWD board would agree to 12 holidays, which includes Christmas Eve and one floating holiday. There was general consensus from both boards.

Item 4-Compensatory Time – Johnson stated the recommendation is a maximum accrual of 40 straight hours, with no annual maximum. There was general consensus from both boards.

Item 7-Education Incentive Pay – Johnson stated he has a problem with this benefit. It seems unfair to employees who don't have a degree. Sorensen recommended the board do a full study after the merger to look at taking of this then. Hammer suggested adding a sunset clause. There was general consensus from both boards to accept the recommendation as presented and look at it after the merger.

Item 9-Retirement Benefits – Templin explained the 2.5% district match. Findlay stated it would be a \$36,000 hit for OTSD. Parks clarified that the \$36,000 hit requires 100% participation. There was general consensus from both boards.

Item 11-Health Insurance Benefits – Hammer stated the 80/20 split will be simplified. He is recommending to the MWD board that premiums in excess of the \$1,200 contribution from the district be split 50/50 between the district and the employee. All current employees will be grandfathered in. Discussion followed. There was

general consensus from both boards to accept the recommendation, with the 80/20 split changed to 50/50 for premiums exceeding the district contribution of \$1,200.

Item #13-Sick Leave – Johnson stated this policy is okay with MWD. Matthews asked that the MWD board consider adjusting certain MWD employee’s accrued sick leave for hours not accrued over the old MWD sick leave accrual limit. Johnson stated that the issue needs to be taken to the next MWD board meeting.

4. DAVID FINDLAY-MWD BUILDING REIMBURSEMENT STUDY STATUS REPORT:

Findlay requested that everyone cross out the last paragraph on page 3 of his report, explaining that he received information after the report was written that makes the paragraph irrelevant. He walked the boards through the report, outlining the three options for building reimbursement. There is no recommendation in the report because it is a policy issue. He explained that MWD’s sewer utility paid more than their share of the building costs. If OTSD is required to pay the MWD sewer utility, then the MWD water utility should also be required to pay the MWD sewer utility for the overpayment. Caine asked what would happen to the MWD sewer fund if the current MWD sewer customers go away. Findlay stated that would be a decision of the future board. Andrews asked how the decision would be tested. Findlay replied that MWD sewer customers may ask in the future. Discussion followed.

5. MANAGER SELECTION PROCESS:

Sorensen stated interviews will be in open session. Discussion followed.

6. OTHER ISSUES:

No other issues were discussed.

7. NEXT MEETING CONFIRMATION:

The building discussion will be on the next agenda, but should be talked about at each district’s February 14, 2007 meeting. Sorensen will get an updated checklist and Gantt chart. Parks will create Attachment A of the merger agreement that deals with employee benefits, for board review at the February 14, 2007 meeting. The next meeting is scheduled for March 8, 2007. Staff will bring a recommended date to sign the merger resolution. Sometime in March the districts’ attorneys, Sorensen, Hammer, Parks and Templin should get together.

8. ADJOURN:

Rainville made a motion to adjourn the meeting. It was seconded and approved. The meeting adjourned at 8:40 p.m.

Richard G. Andrews
President

Edsel Caine
Vice President

Thomas H. Rainville
Secretary