

OLYMPUS TERRACE SEWER DISTRICT-MUKILTEO WATER DISTRICT
JOINT BOARD OF COMMISSIONERS
SPECIAL MEETING
March 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 March 8, 2007, at 7:02 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 and Sue Parks; and Mukilteo Water District staff Dan Hammer, Bev Templin, and Jared Alexander. Also present was Dave Findlay, consultant from FCS Group.

2. APPROVAL OF AGENDA:

The agenda was approved by both Boards.

3. MERGER IMPLEMENTATION WORK PLAN UPDATE:

Sorensen stated Tasks A and B are essentially done and presented the narrative report and Gantt charts to both Boards. Rainville asked about any other deadlines. Findlay said there are none left for Tasks A and B. Discussion followed. Hammer stated both districts will be sending Attachment A of the Merger Agreement to their respective human resources consultants. Discussion followed. Findlay stated the ballot measures must be at the County no later than August 14th. There needs to be two measures; one for OTSD ratepayers to vote to merge into MWD, and one for MWD ratepayers to vote to accept OTSD into MWD. The schedule has been set up assuming that jurisdiction is not invoked. If jurisdiction is invoked, the August 14th deadline will not be met. Caine asked if a SEPA appeal is filed, then we'll miss the deadline. Findlay agreed that could happen. The main parties that could have questions would be the City of Mukilteo, City of Everett, Department of Ecology, Department of Health and Snohomish County Planning Department. Blair Burroughs recommended in the Merger Study to file with the County after the Boundary Review Board (BRB). But because of the tight timeline we will be filing in parallel. If public relations, noticing, and the engineering packet to the BRB are done right we shouldn't have problems. MWD's Comprehensive Plan needs to accept OTSD's Comprehensive Plan, the Merger Agreement needs to be signed, Merger Resolutions from each district needs to be signed, legal descriptions, environmental checklists, and the DNS all need to be done for the packet to the BRB. Once the approval process is done, the ballot measures need to be prepared. Rainville asked if the districts could prepare something for the public. Findlay agreed. Open houses would also be good, with one at MWD and possibly one near the Everett utility area, in order to answer questions. But we need to do something soon. After the BRB approval, the merger agreement needs to be certified by both Boards, and the certification then must be sent to the County, and the election requested. Sorensen stated that letters have been written to both City's and County elected officials. Also, the same letter has been prepared for the BRB, the City's Public Works Directors, the Alderwood Water & Wastewater District General Manager, and the County Planning Department. Discussion followed. Both boards agreed that the board presidents should sign the letters to the elected officials at the Cities and the County. The General Managers will sign all other letters. Hammer stated that G & O has quoted \$18,000 to prepare the BRB packet. A legal description is needed for MWD, but not for OTSD, as originally thought. Discussion followed. Johnson asked if G & O can get the work done by the end of March, if the meeting to sign the Merger Agreement

could be moved up. Caine suggested April 9th or earlier since he would be out of town beginning April 10th. Hammer stated that assuming we can get the attorneys to finish their work, it might be possible. Discussion followed. Hammer suggested a Public Hearing prior to signing the agreement. Caine suggested not calling it a "Hearing", because the word "Hearing" gives it a legal connotation. Findlay said it really isn't a Hearing. Both Boards agreed to a Public Meeting on April 4, 2007 from 7-8 pm, and to change the Merger Agreement signing date to April 9, 2007. A mailer will need to be sent out and all Commissioners will attend the Public Meeting.

4. MWD BUILDING REIMBURSEMENT STATUS REPORT:

Rainville stated both Boards have agreed to transfer \$214,000 from OTSD's capital improvement fund to MWD's Sewer Capital Improvement Fund at the time of merger. Any funds received in excess of \$214,000 at the time of sale of the OTSD Administration building would also be transferred. Discussion followed. Findlay stated the new Board is bound by what is being agreed to, and the attorneys will need to write the proper language in the Merger Agreement.

5. DAVID FINDLAY – MERGER IMPLEMENTATION WORK PLAN "C" TASKS

This item was discussed under Agenda item 3.

6. OTHER ISSUES:

Sorensen reminded the Board that the letters needed to be signed. Parks passed around a copy for review. Both Board Presidents signed letters to City and County elected officials.

7. NEXT MEETING CONFIRMATION:

The next meeting date was confirmed for March 22, 2007 at 7 pm. Andrews thanked staff and Findlay for all of the hard work involved in the merger.

8. ADJOURN:

Rainville made a motion to adjourn the meeting. It was seconded and approved. The meeting adjourned at 8:20 p.m.

Richard G. Andrews
President

Edsel Caine
Vice President

Thomas H. Rainville
Secretary