

**OLYMPUS TERRACE SEWER DISTRICT-MUKILTEO WATER DISTRICT  
JOINT BOARD OF COMMISSIONERS  
SPECIAL MEETING  
May 31, 2006  
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 May 31, 2006, at 7:10 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 and Greg Bradley; and Mukilteo Water District staff Dan Hammer, Mary Merriam, Rick Matthews, and Jodi Tellefson.

**2. APPROVAL OF AGENDA:**

The agenda was approved by both boards.

**3. INTRODUCTIONS:**

Mukilteo Water District Commissioner Mike Johnson asked that all board members introduce themselves. All staff members in attendance were then asked to introduce themselves.

**4. DISCUSS MERGER, CONSOLIDATION, JOINT OPERATING AGREEMENT AND DRAFT REPORT:**

Each commissioner made a statement that getting the two districts together is good, and will be more efficient. Andrews stated that he felt the districts are both here to serve the ratepayers and it's in the ratepayers best interest to come together. Discussion followed.

**5. DISCUSS BENEFITS OF MERGING OR CONSOLIDATION:**

Andrews stated that either a merger or consolidation doesn't matter as long as everyone is treated equally. Caine stated there are three major issues: will one unit be formed, what will it be, and who is General Manager. Discussion followed regarding differences between merger and consolidation. Hammer stated that there are existing contracts with the City of Everett that may be in jeopardy if the districts consolidate, but wouldn't be in jeopardy if the districts merged. Discussion followed. Caine stated he was concerned that with a merger Olympus Terrace employees would feel like "unwanted stepchildren". Discussion followed. Caine stated he understood that Mukilteo Water is an older district, but that it was not pertinent to the discussion of merger or consolidation. Allison disagreed. Discussion followed.

**6. DISCUSS HOW TO MOVE FORWARD:**

Andrews recommended asking legal counsel to clarify differences between merger and consolidation. Caine stated the cost of merging would be lower than the cost of consolidation. Johnson expressed concern with the

item in the study that Olympus Terrace doesn't have a deed to the old City of Mukilteo sewer utility that the District annexed in 1994. Discussion followed. Andrews asked about adding "sewer" to Mukilteo Water Districts name if the two districts merged. Caine asked what Johnson wanted to see as the outcome of the meeting. Johnson said he wanted to see discussion and get the process moving. Andrews said he thinks the boards have gotten to the point where they need to make a decision. Caine said he feels the boards should agree to come together as one entity. Discussion followed. Andrews asked for a vote and Johnson clarified that a motion isn't needed, just a consensus. Then FCS Group could come to the next meeting and answer questions. Rainville said the boards could agree to unify. Andrews polled both boards about whether the district should be unified. All board members said yes. Johnson asked about a CIP for Olympus Terrace, and what Olympus Terrace has for infrastructure. Caine asked about a benefit study. Discussion followed. Johnson asked if FCS Group should come in to facilitate the unification, sometime in June. Sorensen said there is a need to settle the old Mukilteo sewer system deed issue with the City, and he'll have FCS Group clarify whether merger or consolidation will have an affect on existing Mukilteo Water and City of Everett contracts. Discussion followed.

**7. ADJOURN MEETING:**

A motion was made by Tom Rainville of Mukilteo Water District to adjourn the meeting. It was seconded and approved. A motion was made by Ed Caine of Olympus Terrace Sewer District to adjourn the meeting. It was seconded and approved. The meeting adjourned at 8:36 p.m.

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Richard G. Andrews  
President

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Edsel Caine  
Vice President

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Thomas H. Rainville  
Secretary