

**OLYMPUS TERRACE SEWER DISTRICT-MUKILTEO WATER DISTRICT  
JOINT BOARD OF COMMISSIONERS  
SPECIAL MEETING  
November 21, 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 November 21, 2006, at 7:05 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; David Findlay with FCS Group; Olympus Terrace Sewer District staff Patrick Sorensen, Sue Parks, Gil Bridges (and spouse Lynne Bridges); and Mukilteo Water District staff Dan Hammer, Bev Templin, Mary Merriam, Rick Matthews and Jodi Tellefson.

**2. APPROVAL OF AGENDA:**

The agenda was approved by both boards.

**3. INTRODUCTIONS:**

MWD employees Bev Templin, Rick Matthews and Jodi Tellefson were introduced.

**4. APPROVAL OF NOVEMBER 16, 2006 MINUTES:**

The MWD board approved their minutes of the November 16, 2006 minutes. Parks stated the OTSD board would approve the November 16, 2006 minutes at the next regular board meeting.

**5. STATUS REPORT TO DATE:**

Sorensen stated the status report update is not completed. It will be done by the next joint meeting. There was a meeting on November 20, 2006 to work on the benefits study. Hammer stated there are several issues that still need work. Sorensen added that the benefits document will be attached to the ILA. It includes benefits as well as some policies. Caine asked how the boards were going to vote on decisions, and how binding the votes would be on the combined board. Findlay stated each board will have to vote on each decision, three members on each board with Rainville voting on both. There is no authority to combine the voting. Caine stated he didn't understand how the combined board transitions from 6 board members to three. Findlay stated at each election two members would run for one seat. Discussion followed. Sorensen stated he emailed a copy of the draft ILA to the OTSD board members for review, and for discussion at the board meeting next week. Hammer stated that both boards voted for an Employee Retention Agreement to attach to the ILA, but it's already in the ILA. Findlay added that the manager's agreements would supersede the ERA.

## **6. GENERAL MANAGER, ORGANIZATIONAL REALIGNMENT NEGOTIATIONS:**

Andrews stated the general manager's discussion is a personnel issue and could be done in executive session. Rainville stated the new version of the ILA calls for joint managers. Until the ILA is worked out, the boards are jumping ahead of themselves. Andrews agreed but felt the general manager decision could be made after the merger. Caine disagreed. Findlay stated the boards must deal with accountability and responsibility. The direction needs to be known early on. The boards need to work on what they want to talk about with each individual in executive session, and the boards need to know how it's going to work. Johnson stated both attorneys should see the agenda to see if items should be in executive session. Findlay asked how a business would be run without having one person responsible. Rainville stated you reach a point of responsibilities. Andrews added if it doesn't work out you change the system. Discussion followed. Andrews stated that in a co-manager environment, both general managers need to agree to it. Caine stated authority and ego are the two issues. But the boards should be deciding who would be the best manager. Andrews asked if a human resources person should be brought in to help make the decision. Johnson, Rainville and Caine all answered no. Findlay asked what if there was one administration manager and one operations manager. There would be fewer issues than with co-managers. Rainville stated that each board should talk to their manager to see how they feel. Johnson would like to talk to each manager to see what their thoughts were. Findlay asked the purpose of the questions. Johnson said it was to see what each manager's thoughts were to help the boards understand the managers. It may be better to go back to a committee of the board presidents to ask the questions of each manager. Findlay stated the two managers shouldn't have to negotiate. The interview process will get at the issues and find out what they want. So, get the questions together, but then what are you going to do with them? Johnson stated both presidents would go to both boards, maybe with a facilitator to help take notes and pull the information together. Rainville stated maybe get the two attorneys to agree to have an executive session to have all the commissioners do the interviews. Discussion followed. Johnson stated all board members could meet, ask one manager to leave, then talk to the other and vice versa. Then go into executive session to make a decision. Findlay asked to have the attorneys agree to protocol. Caine asked if the boards were going to establish the questions and meet with the two managers, or agree to merge and how the boards want the organization to look. Johnson stated the answers to the manager's questions will help the boards decide on the organization. Findlay asked if the managers would be willing to change their contracts. He stated there are three important issues: What's the organizational constraint of the merger, what's the basis of the selection process and agree not to delay for six months. Board members were asked to submit their list of manager questions. Discussion followed.

## **7. IF OTSD'S GENERAL MANAGER POSITION CHANGES UPON MERGER, RESOLVE SEVERANCE AGREEMENT PROVISIONS:**

No discussion.

## **8. RECESS TO EXECUTIVE SESSION:**

This item was deemed not necessary and was waived.

## **9. RECONVENE TO EXECUTIVE SESSION:**

This item was deemed not necessary and was waived.

**10. EXECUTIVE SESSION ACTION ITEMS/IF ANY:**

There were no executive session action items.

**11. OTHERS ISSUES:**

There were no other issues.

**12. SET MEETING DATES FOR DECEMBER:**

Andrews and Johnson will work out a date and time when they will meet to work on the list of questions for the managers interviews. Findlay stated that a part of the questions should be designed to get at the issue of severance agreement provisions, and how to deal with that. Both boards agreed to meet on December 14, 2006 for manager interviews and December 19, 2006 to discuss the benefits study and review the updated status report. Hammer asked the boards to agree to a regular joint meeting on the third Tuesday of each month. Both boards agreed. Findlay stated each board should look at the timeline in Section IV of the Merger Study, exhibit IV-2. Findlay read the deadlines coming up.

**13. ADJOURN:**

A motion was made to adjourn the meeting. It was seconded and approved. The meeting adjourned at 9:00 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