

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

Minutes of January 2, 2014

The Regular Meeting of the Board of Commissioners of January 2, 2014, was called to order at the District office by President Johnson at 7:00 p.m.

**ROLL CALL/
IN ATTENDANCE** Commissioners:
Mike Johnson, Thomas McGrath, Thomas Rainville

Legal Counsel:
John Milne (Inslee, Best, Doezie & Ryder)

Engineer:
Eric Delfel (Gray & Osborne)

Staff:
Gil Bridges, Wastewater Treatment Facility Manager; Bev Templin,
Financial Accounting Supervisor; Jim Voetberg, General Manager;
Lisa Wolfson, Management/Project Assistant

**OATH OF
OFFICE** John Milne, Legal Counsel, administered the Oath of Office to re-elected
Commissioner Rainville for Commissioner Position No. 1. Commissioner
Rainville's term will expire December 31, 2019.

Distributed were copies of Snohomish County's official canvass of results
from the November 5, 2013 election. Results were as follows:

<u>Candidate</u>	<u>Vote Count</u>	<u>Percent</u>
Troylyn Goldsberry	2,035	46.26%
Tom Rainville	2,336	53.10%
Write-In	28	0.64%

**APPROVAL OF
AGENDA** President Johnson requested the item regarding Interlocal Agreement with
the City of Mukilteo for Sharing of Costs on the WWTF Access Road
Drainage Improvements Project be taken before the item regarding Award
Contract to Trico Companies for WWTF Access Road Drainage
Improvements Project (Resolution No. 300-14).

Commissioner McGrath made a motion to approve the agenda as revised.
Commissioner Rainville seconded the motion. The motion passed
unanimously.

**VISITORS AND
COMMENTS
FROM THE
AUDIENCE** None.

MINUTES Commissioner Rainville made a motion to approve the Regular Board of
Commissioners Meeting Minutes of December 18, 2013. Commissioner
McGrath seconded the motion. The motion passed unanimously.

**CONSENT
AGENDA**

Commissioner Rainville made a motion to approve the Consent Agenda. Commissioner McGrath seconded the motion. The motion passed unanimously.

Vouchers

Approved Vouchers in the amount of \$74,075.79.

<u>Fund</u>	<u>SubFund No.</u>	<u>Voucher No.</u>	<u>Amount</u>
Water Maintenance	740	2369-2396	\$16,309.14
Wastewater Maintenance	840	2369-2396	\$41,753.99
East Wastewater Maintenance	941	2369-2396	\$6,630.70
Wastewater Capital Improvement	846	2368	\$9,381.96

BUSINESS ITEMS

**Agreement with
Hellam, Varon &
Co. for 2013
Annual
Statements
Accounting
Services**

Bev Templin, Financial Accounting Supervisor, gave a report on the item. In 2013 the District entered into an agreement for consulting services with Hellam, Varon & Co., Inc. P.S. for the 2012 financial statements. Staff recommends using Hellam Varon for the 2013 financial statements. Pending Board approval, they are scheduled to begin work on March 3, 2014. A draft agreement for consulting services was distributed to the Board for review along with the engagement letter.

Commissioner Rainville made a motion to authorize the General Manager to execute an agreement for consulting services with Hellam, Varon & Co., Inc. P.S. in an amount not to exceed \$19,305, excluding expenses not to exceed \$1,500, for a total amount of \$20,805. Commissioner McGrath seconded the motion.

Commissioner McGrath questioned what the cost would be should the District request a more in depth audit, and if a more in depth audit could be broken into components to be performed over several years.

Ms. Templin explained that MWWD has never undergone a "full fledged" audit and the cost to perform such service would likely double. She added that all accounting is performed in compliance with state regulations.

Commissioner Rainville added that "opinion" audits may cost as much \$50,000 and are still limited in scope (i.e., they review accounting records and internal controls but not inventory).

The Board requested staff discuss costs to perform more in depth audits with Hellam Varon.

Votes were now cast on the motion. The motion passed unanimously.

Credit Adjustment due to Leak: Colby Creek II (Account #1331; 923 12th St. SW, Everett)

Bev Templin, Financial Accounting Supervisor, gave a report on the item. Colby Creek II has requested a credit adjustment to their October 31, 2013 billing for a leak in the service line to one of their buildings (Building I). When the meter was read on October 28 for the October 31 billing, it was noted the consumption had increased significantly. The meter was re-read and it was discovered to be running at approximately 1/2 gpm, indicating a leak. A letter was sent to Colby Creek II advising them of the District's findings and the leak was subsequently repaired on November 6. District staff confirmed the leak has been repaired. The District's policy for adjustments to water and sewer billings relating to private water leaks is provided for in Resolution No. 100-09. The customer has met the requirements of Section 2 and is eligible for an adjustment. Pursuant to Section 3 of the resolution, an adjustment to both the water and sewer billings has been calculated totaling \$2,375.55 (\$244.95 water; \$2,130.60 sewer). Because the adjustment amount exceeds the General Manager's \$500 authorization limit set forth in Section 5 of the resolution, Board approval is required.

Ms. Templin added the customer must still pay for the excess water consumption at the rate the District pays for water, and sewer is charged at the base rate plus average usage. She reported that Colby Creek II has received an adjustment once before during the last two years, although it was not for a leak; it was credits issued due to a Springbrook software glitch associated with City of Mukilteo franchise fees.

Motion by Commissioner McGrath to approve a credit adjustment to Colby Creek II's water bill in the amount of \$244.95 and sewer bill in the amount of \$2,130.60; and authorize the President of the Board to sign the Leak Credit Adjustment authorization form dated December 16, 2013, in the total amount of \$2,375.55. Commissioner Rainville seconded the motion. The motion passed unanimously.

Interlocal Agreement with City of Mukilteo for Sharing of Costs on the WWTF Access Road Drainage Improvements Project

Jim Voetberg, General Manager, gave a report on the item. In an effort to address drainage issues with the WWTF access road, the District and City of Mukilteo have developed a joint project that addresses improvement needs of both jurisdictions. For the District, the project includes running permanent power to the dewatering wells installed in late 2012 (Schedules B and D in the bid tab). For the City, the project includes extending their storm drain system along the edge of the access road, through the dewatering well improvements, and discharging near the bridge which crosses Big Gulch Creek (Schedules A and C in the bid tab). The Interlocal Agreement (ILA) between the District and City outlines the responsibilities and sharing of costs for each jurisdiction's portion of the work. The City will pay a lump sum amount for the additional engineering and construction management costs incurred by Gray & Osborne, totaling \$29,600, and will pay for their portion of the construction work which has been specifically identified by work schedules in the project scope of work, identified as schedules A and C, totaling \$74,952.75. City staff has indicated the City Council will be considering this ILA at their meeting of January 6, 2014.

Both Mr. Voetberg and Eric Delfel, Engineer, confirmed the City has seen the cost breakdown.

Brief discussion ensued regarding the construction site. Mr. Delfel stated that the City will be onsite to oversee their portions of the work and will authorize change orders if needed.

President Johnson expressed his approval of a joint project with the City as a way to save costs.

Commissioner Rainville made a motion to approve the Interlocal Agreement with the City of Mukilteo for sharing of responsibilities and costs associated with the Wastewater Treatment Facility Access Road Drainage Improvements Project; and authorize the General Manager to execute the Agreement on behalf of the Board of Commissioners. Commissioner McGrath seconded the motion. The motion passed unanimously.

**Awarding
Contract for the
WWTF Access
Road Drainage
Improvements
Project**

**Resolution No.
300-14**

Jim Voetberg, General Manager, gave a report on the item. At the regular meeting of June 19, 2013, the Board of Commissioners authorized repairs to the Big Gulch Wastewater Treatment Facility access road. At the regular meeting of July 2, 2013, the Board approved G&O's scope of work for design, bid document preparation, and construction management for repairs to the Big Gulch WWTF access road. On December 4 and 11, 2013, a call for bids was published for the WWTF Road Drainage Improvements project. The bid opening was conducted December 17 at 2:00 p.m. Twelve bidders submitted bids to furnish labor, materials, equipment, tools, and guarantees to construct the improvements. The project consists of four schedules. Bidders and their respective bids (including tax) were as follows:

1. Trico Companies, LLC (Burlington, Washington)	\$557,929.88
2. Faber Construction Corporation (Lynden, Washington)	\$558,149.00
3. KLB Construction (Mukilteo, Washington)	\$561,559.80
4. Nordland Construction Northwest (Nordland, Washington)	\$576,741.98
5. Road Construction Northwest (Renton, Washington)	\$594,240.08
Engineer's Estimate	\$596,063.25
6. SRV Construction, Inc. (Oak Harbor, Washington)	\$619,929.87
7. Shoreline Construction Corp. (Woodinville, Washington)	\$625,190.25
8. Interwest Construction, Inc. (Burlington, Washington)	\$632,276.00
9. Trimaxx Construction, Inc. (Sedro Woolley, Washington)	\$648,382.35
10. Carman's Construction, LLC (Oak Harbor, Washington)	\$663,481.49
11. Gary Harper Construction, Inc. (Snohomish, Washington)	\$691,361.10
12. McClure and Sons, Inc. (Mill Creek, Washington)	\$728,195.81

Gray & Osborne reviewed the bids and made five corrections to four bids, with two corrections resulting in the original low bidder becoming the second lowest bidder. After the review of bids, the lowest responsible bidder is Trico Companies, LLC. Based on his evaluation, Mr. Delfel recommended the project be awarded to Trico Companies, LLC in the amount of \$557,929.88. Mr. Voetberg also reported the budgeted amount for this project was \$490,000, and with the City's participation of approximately \$75,000 there are sufficient funds.

Legal Counsel advised the recommended motion included conditional language that is not allowed, and he recommended either awarding or not awarding, or delaying the award until the next meeting. Both Mr. Voetberg and Mr. Delfel recommended the project contract be awarded at tonight's meeting rather than at the next MWWD Board meeting of January 15.

Brief discussion ensued regarding the award of the contract and the City failing to approve the Interlocal Agreement that provides for their commitment to pay for their costs associated with Schedules A and C of the project. It was noted that if the City chose to not participate the District could modify the scope of the contract by eliminating Schedules A and C.

Commissioner McGrath made a motion to adopt Resolution No. 300-14, awarding the WWTF Road Drainage Improvements project to Trico Companies, LLC for a cost not to exceed \$557,929.88 including sales tax. Commissioner Rainville seconded the motion. The motion passed unanimously.

Other Business None.

ADDITIONAL REPORTS

Management

Jim Voetberg, General Manager, gave an overview of his Manager's Report presented in the agenda packet, which included draft bills WASWD has prepared for the upcoming legislative session. Draft bills relate to the following:

- A requirement for voter approval of assumptions of water-sewer districts by cities and towns
- Allowing certain size districts to pay bills themselves
- Clarifying the number of years a water-sewer district can go back to collect on past due amounts caused by billing errors
- Public Records Act exemption for records containing geographic information systems (GIS) for critical infrastructure where the disclosure of information would increase the risk to the agency's infrastructure or assets

Mr. Voetberg also announced that Briley Olson started today as the District's Utility Services Technician I.

Legal None.

Engineering Eric Delfel, Engineer, reported that S-7 pumps have been installed and are running smoothly. Gray & Osborne will recommend the project be closed out soon.

Commissioners President Johnson announced he would not be in attendance at the next meeting of the Board of Commissioners of January 15, 2014.

CONCLUDE

There being no further business, the President of the Board concluded the meeting at 7:36 p.m.

President/Commissioner Johnson



Vice President/Commissioner McGrath



Secretary/Commissioner Rainville