

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

Minutes of December 3, 2014

The Regular Meeting of the Board of Commissioners of December 3, 2014, was called to order at the District office by President Johnson at 7:02 p.m.

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

Engineering:
Eric Delfel (Gray & Osborne)

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

Staff:
Gil Bridges, Wastewater Treatment Facility Manager; Rick Matthews, Operations/Engineering Manager; Sue Parks, Finance Manager; Bev Templin, Financial Accounting Supervisor; Jim Voetberg, General Manager; Lisa Wolfson, Management/Project Assistant

**APPROVAL OF
AGENDA** Motion by Commissioner Rainville, second by Commissioner McGrath, to approve the agenda as presented. The motion passed unanimously.

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

MINUTES Motion by Commissioner McGrath, second by Commissioner Rainville, to approve the minutes of the regular meeting of the Board of Commissioners of November 19, 2014. The motion passed unanimously.

**CONSENT
AGENDA** Motion by Commissioner McGrath, second by Commissioner Rainville, to approve the Consent Agenda as presented. The motion passed unanimously.

Vouchers Approved Vouchers in the amount of \$150,593.43.

<u>Fund</u>	<u>SubFund No.</u>	<u>Voucher No.</u>	<u>Amount</u>
Water Maintenance	740	3442-3472	\$100,037.04
		3473-3478	13,733.58
Wastewater Maintenance	840	3442-3472	16,817.56
		3473-3478	10,852.68
East Wastewater Maintenance	941	3442-3472	3,935.20
		3473-3478	2,691.82
Water Capital Improvement	745	3438-3439	1,469.58
East Wastewater Capital Improvement	952	3440	338.70
Wastewater Capital Improvement	846	3441	717.27

Payroll Approved Payroll in the amount of \$129,757.81.

Investment Funds Report Received the Investment Funds Report for October 2014.

BUSINESS ITEMS

Bid Award: Operations/Engineering Manager Matthews gave a report on the item.

Lift Station #8

Generator

Transfer Switch and Quick

Connect

(Project #62-14)

Resolution No. 334-14

Brief discussion ensued regarding the project. District Engineer Delfel noted all work would be above grade.

Motion by Commissioner McGrath, second by Commissioner Rainville, to adopt Resolution No. 334-14 to award the Lift Station #8 Generator Transfer Switch and Quick Connect project to the lowest responsible bidder, Seven Sisters, for a cost not to exceed \$27,035.42, including sales tax. The motion passed unanimously.

Consideration of Rate Increases for Legal Services

General Manager Voetberg gave a report on the item.

It was noted that Inslee, Best, Doezie & Ryder has provided quality service to the District and their rates have been fair and comparable to other firms.

Motion by Commissioner Rainville, second by Commissioner McGrath, to approve the agreement for legal services with Inslee, Best, Doezie & Ryder, P.S., and to authorize the General Manager to sign the agreement. The motion passed unanimously.

Engineering Services Agreement

General Manager Voetberg gave a report on the item. He reported staff is requesting an engineering services agreement with Gray & Osborne. Based on recommendations of legal counsel, he noted the term would be for one year with two one-year extension options, as opposed to a two-year agreement with two one-year extension options presented in the staff report.

District Engineer Delfel reported no increase has been made to the overhead and he explained the fully burdened rates include overhead costs.

District Legal Counsel Milne recommended the agreement be effective for only one year with two one-year extension options.

Motion by Commissioner McGrath, second by Commissioner Rainville, to approve the agreement for engineering services with Gray & Osborne, with a term ending December 31, 2015 and two one-year extension options. The motion passed unanimously.

Accepting and Approving the Proposed 2015 Budget

General Manager Voetberg gave a report on the item. He noted the budgets were consistent with the District's historical budgeting philosophy and follows the 2012 rate study. General Manager Voetberg provided an overview of the 2015 Operation & Maintenance Budget, discussed revenues and operational expenses in Operations, Wastewater Treatment Facility, and Administration.

General discussion and questions of some line item costs were addressed by staff.

Discussion also ensued regarding the 2015 Capital Budget and proposed projects. It was noted that the recently awarded Lift Station #8 generator transfer switch project would not be completed in 2014 and thus required funds to be carried over from the 2014 Budget.

Motion by Commissioner Rainville, second by Commissioner McGrath, to approve the 2015 Operation & Maintenance Budget. The motion passed unanimously.

Motion by Commissioner McGrath, second by Commissioner Rainville, to approve the 2015 Capital Budget with \$35,000 carried over for the Lift Station #8 generator transfer switch and quick connect project (Project #62-14). The motion passed unanimously.

Other Business None.

ADDITIONAL REPORTS

Management

General Manager's Report

General Manager Voetberg reported on the tentative offer made to a candidate for the Wastewater Treatment Facility Operator I position; resuming a 5x8 work schedule for Operations; a water system legislative briefing scheduled for December 8 at Alderwood Water & Wastewater District; and plans to drain and inspect Reservoir #1 the week of December 8. He also reported WASWD representatives met with the Governor to discuss the State's budget, which did not include Public Works Trust Fund project approvals in the first draft.

Discussion ensued regarding the Clean Water State Resolving Fund Loan for design of improvements to the Wastewater Treatment Facility. General Manager Voetberg announced that additional information had been received since the release of the agenda, noting there had been a change in the proposed contract. The contract as currently written now requires design components that do not coincide with the District's multi-year capital plan. It also requires work items, such as a cross cutter report and an investment grade efficiency audit, which on top of additional administration costs could cost up to \$20,000 to \$25,000. General Manager Voetberg expressed concern regarding the loan requirements and added the District was

financially capable of performing the design work for the project without borrowing funds.

Motion by Commissioner Rainville, second by Commissioner McGrath, to authorize and direct staff to withdraw the State Revolving Fund Loan application for design of improvements to the Wastewater Treatment Facility. The motion passed unanimously.

Customer Notice Tracking Report

The Board received the Customer Notice Tracking Report.

The Board also received the Past Due Aging Report.

Verbal Reports

Finance Manager Parks reported that State Auditors have completed their audit, and an exit interview will be conducted soon.

Operations/Engineering Manager Matthews reported on upcoming Developer Extension Agreement projects, and he invited Commissioners to see inside Reservoir #1, which was being drained for inspection.

Legal None.

Engineering None.

Commissioners President Johnson announced he had previously spoken with General Manager Voetberg regarding offering employees to take Friday, December 26 (instead of Wednesday, December 24) as a paid holiday. He then proposed business hours conclude at noon on December 24.

General Manager Voetberg responded staff was in support of taking December 26, instead of December 24, off. He added he would discuss the December 24 early closure with them. Since the District's personnel handbook lists Christmas Eve and Christmas Day as paid holidays, he would return at the next Board meeting with a formal request to authorize the one-time change to the handbook.

CONCLUDE There being no further business, the President of the Board concluded the meeting at 8:44 p.m.



President/Commissioner Johnson



Secretary/Commissioner Rainville



Vice/President/Commissioner McGrath