

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

Minutes of February 4, 2015

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The Regular Meeting of the Board of Commissioners of February 4, 2015, 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:  
Barry Baker (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; Jim Voetberg, General Manager; Lisa Wolfson, Management/Project Assistant

**APPROVAL OF  
AGENDA**      General Manager Voetberg announced a revised agenda had been presented, noting Water and Sewer Service Connections Report had been removed and would be presented quarterly.

Motion by Commissioner Rainville, second by Commissioner McGrath, to approve the revised agenda as presented. The motion passed unanimously.

**VISITORS AND  
COMMENTS  
FROM THE  
AUDIENCE**      Jim Nelson, of D.A. Davidson, was in attendance to discuss Bond Refinancing (Agenda Item No. 3).

**MINUTES**      Motion by Commissioner McGrath, second by Commissioner Rainville, to approve the minutes of the regular meeting of the Board of Commissioners of January 21, 2015. The motion passed unanimously.

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

**Vouchers**      Approved Vouchers in the amount of \$142,954.23.

<u>Fund</u>	<u>SubFund No.</u>	<u>Voucher No.</u>	<u>Amount</u>
Water Maintenance	740	3632-3670	\$95,471.82
Wastewater Maintenance	840	3632-3670	37,897.57
East Wastewater Maintenance	941	3632-3670	8,294.30
Water Capital Improvement	745	3629	606.56

Wastewater Capital Improvement	846	3630	464.60
East Wastewater Capital Improvement	952	3631	219.38

**Payroll** Approved Payroll in the amount of \$141,581.83

## **BUSINESS ITEMS**

### **2015 Bond Refinancing of 2008 Bonds**

Finance Manager Parks introduced Jim Nelson, of D.A. Davidson (bond underwriter).

Jim Nelson provided a handout titled, "Refinancing Discussion," dated February 4, 2015, and an Underwriting Engagement Letter. He reported on the current bond market, estimated savings by refinancing a portion of the 2008 revenue bonds, financing schedule example, bond rating grades, key factors for bond ratings, and the importance of financial management policies.

Discussion ensued regarding market trends and volatility, the risks and benefits of refinancing, and the benefits associated with achieving a higher bond rating.

General Manager Voetberg noted Legal Counsel Milne has reviewed the engagement letter and recommended a motion to authorize entering into the agreement.

Motion by Commissioner McGrath, second by Commissioner Rainville, to approve the Underwriting Engagement Letter prepared by D.A. Davidson for Water and Wastewater Refunding Revenue Bonds – 2015; and to authorize the General Manager to execute the engagement letter on the District's behalf. The motion passed unanimously.

### **G&O Design Scope of Work: Reservoir #4 Recoating (Project #65-15)**

General Manager Voetberg reported on the item. He spoke about the Tramco agreement that allows the Paine Field tank to be taken out of service for up to eight weeks, and the need to work closely and coordinate with the current building owner ATS, as well as with Boeing and Snohomish County Airport. He also spoke of the need for District Legal Counsel Milne's involvement to address the agreement terms and stakeholders' concerns.

Operations/Engineering Manager Matthews spoke about the two buildings that are directly connected to the Paine Field, noting they will not have fire protection when the tank is empty. He also noted G&O will prepare an analysis of different methods and types of paint, such as those that cure in water, to help the District complete the project in eight weeks.

Motion by Commissioner Rainville, second by Commissioner McGrath, to approve Gray & Osborne's proposal dated January 27, 2015 for design of recoating the interior and exterior of Reservoir #4 (Project #65-15); and

authorize Gray & Osborne to perform this work under the Agreement for Engineering Services dated December 3, 2014. The motion passed unanimously.

***G&O Pre-Design  
Scope of Work:  
Lift Station #4  
Abandonment  
(Project #73-15)***

General Manager Voetberg gave a report on the item. He indicated staff's desire to perform pre-design work and obtain necessary easements this year, perform bid-ready design work next year, and schedule construction in 2017.

Operations/Engineering Manager Matthews reported some design effort will be needed in order to prepare the easements.

Brief discussion ensued regarding bore pit techniques and location.

District Engineer Baker stated the pre-design would consider the boring process, and location of the boring and receiving pits.

Motion by Commissioner Rainville, second by Commissioner McGrath, to approve Gray & Osborne's proposal dated January 28, 2015 for Lift Station #4 abandonment pre-design services; and authorize Gray & Osborne to perform this work under the Agreement for Engineering Services dated December 3, 2014. The motion passed unanimously.

***G&O Design  
Scope of Work:  
5th Street Water  
Main  
Replacement  
(Project #69-15)***

General Manager Voetberg gave a report on the item. He reiterated staff's desire to perform design this year and schedule construction next year.

Operations/Engineering Manager Matthews spoke of the need to replace this pipe, noting the District has no other comparably sized mains that are this age still installed. He added completion of this project could provide the District with options to serve the Lamar Drive area and all of downtown Mukilteo with AWWD water.

Motion by Commissioner McGrath, second by Commissioner Rainville, to approve Gray & Osborne's proposal dated January 28, 2015 for design of water main improvements along 5<sup>th</sup> Street between Scurlock Lane and Cornelia Avenue; and authorize Gray & Osborne to perform this work under the Agreement for Engineering Services dated December 3, 2014. The motion passed unanimously.

***G&O Design  
Scope of Work:  
Holly Drive Lift  
Station Upgrade  
(Project #76-15)***

General Manager Voetberg gave a report on the item. He stated the Holly Drive Lift Station requires more maintenance and call-out work than other District lift stations. He added staff would like upgrade the Holly Drive Lift Station similar to the 112th Street Lift Station. He noted that since this lift station wheels wastewater from the City of Everett, staff will discuss with the City their cost contributions for this project.

Operations/Engineering Manager Matthews spoke about the technical issues and deficiencies experienced with the Holly Drive Lift Station, such as clogging, and limited size of the wet well.

Commissioner McGrath voiced his desire for the evaluation of the Eastside sewer system (the next item on the agenda for discussion) to be complete before commencing any work to upgrading the Holly Drive Lift Station, as the District may opt to transfer the lift station to the City of Everett depending on the findings of the evaluation.

Brief discussion ensued regarding the schedules for work associated with the Holly Drive Lift Station upgrade and the Eastside sewer system evaluation and the consensus was to complete the Eastside sewer system evaluation before beginning work on the Holly Drive Lift Station.

Commissioner Rainville, second by Commissioner McGrath, to approve Gray & Osborne's proposal dated January 28, 2015, for design of upgrades to the Holly Drive Lift Station; and authorize Gray & Osborne to perform this work under the Agreement for Engineering Services dated December 3, 2014 subject to the authorization to proceed from the Board of Commissioners. The motion passed unanimously.

***G&O Scope of  
Work: Eastside  
Sewer System  
Cost of Service  
Evaluation***

General Manager Voetberg gave a report on the item.

Brief discussion ensued regarding the Eastside sewer system evaluation and if it were feasible to send the flow to the District's treatment facility. General Manager Voetberg stated the analysis will evaluate this and other options of where the waste could be sent.

Motion by Commissioner McGrath, second by Commissioner Rainville, to approve Gray & Osborne's proposal dated January 28, 2015 for evaluating the Eastside Sewer System cost of service; and authorize Gray & Osborne to perform this work under the Agreement for Engineering Services dated December 3, 2014. The motion passed unanimously.

**Vehicles #8 and #20 Replacement (Project #72-15)** Wastewater Treatment Facility Manager Bridges and Operations/  
Engineering Manager Matthews gave a report on the item.

Brief discussion ensued regarding the purchase of new vehicles.

General Manager Voetberg requested the WWTF 2015 Ford F250 (Vehicle #20) quote be modified to include daytime running lights and engine block heater, increasing the cost by \$100.

Motion by Commissioner McGrath, second by Commissioner Rainville, to authorize staff to purchase a 2015 Ford F250 3/4 ton diesel 4x4 vehicle and a 2015 Ford Fusion Hybrid, both off of the Washington State Department of Enterprise Services Procurement Contract, for the dollar amount of \$56,155, plus applicable state sales tax, licensing, and registration fees. The motion passed unanimously.

**Other Business** None.

**ADDITIONAL REPORTS**

**Management**

**General Manager's Report**

General Manager Voetberg gave a report on Employee Health Care Plan Modifications; Assessment of WWTF Access Road Improvements; and announced he would be out of the office February 17-23 to attend the AWWA Utility Managers Conference.

**2014 Collections Recap**

Finance Manager Parks reported on the status of the accounts sent to District's legal counsel for processing of liens and foreclosures.

**Customer Notice Tracking Report**

The Board received the Customer Notice Tracking Report dated January 29, 2015.

**Vector Attraction Reduction (VAR) Test Results**

The Board received the VAR test results for December 2015.

**Verbal Reports**

Finance Manager Parks reported the District has received a notice that the State Auditor will audit payroll/PERS records. There will be no cost to the District.

Operations/Engineering Manager Matthews reported he and Utility Services Technician III Henson attended a meeting regarding an updated Snohomish County Natural Hazards Mitigation Plan (SCNHMP). Staff will request adoption of the updated plan in the future. He also reported the Operations

crew was recently trained on the new TV van/sewer camera software.

Wastewater Treatment Facility Manager Bridges reported the newest Operator I employee has been doing well. He also reported on newly introduced legislation that would require labeling foods grown in biosolids.

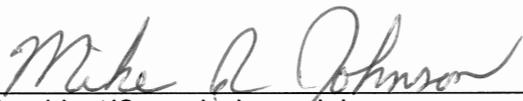
**Legal** None.

**Engineering** None.

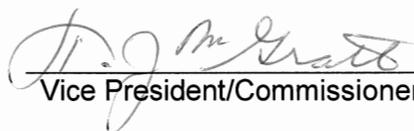
**Commissioners** Commissioner McGrath and Commissioner Rainville reported on the recent WASWD Commissioners Workshop where fish consumption and risk factors were discussed.

Commissioner Johnson commented on recent developments to the Port of Everett/Washington State Ferries project. Operations/Engineering Manager Matthews responded he met with stakeholders last week to discuss the project.

**CONCLUDE** There being no further business, the President of the Board concluded the meeting at 8:20 p.m.

  
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President/Commissioner Johnson

  
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Secretary/Commissioner Rainville

  
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Vice President/Commissioner McGrath