

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

Minutes of February 18, 2015

The Regular Meeting of the Board of Commissioners of February 18, 2015, was called to order at the District office by President Johnson at 7:04 p.m.

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

Engineering:  
Eric Delfel (Gray & Osborne)

Staff:  
Gil Bridges, Wastewater Treatment Facility Manager; Rick Matthews, Operations/Engineering Manager; Sue Parks, Finance 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 Rainville, second by Commissioner McGrath, to approve the minutes of the regular meeting of the Board of Commissioners of February 4, 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 \$558,837.89.

<u>Fund</u>	<u>SubFund No.</u>	<u>Voucher No.</u>	<u>Amount</u>
Water Maintenance	740	3683-3708	\$142,412.48
		EFT	22,574.65
Wastewater Maintenance	840	3683-3708	21,943.18
		3671-3673	432.50
		EFT	16,200.05
East Wastewater Maintenance	941	3683-3708	10,238.96
		3671-3673	61,668.90
		EFT	640.36
Water Capital Improvement	745	3675-3677	7,288.67
Water Capital Replacement	747	3682	848.64
Wastewater Capital Improvement	846	3678-3680	16,456.41
East Wastewater Capital Improvement	952	3674	258,133.09

**Investment Funds Report** The Board received the Investment Funds Report dated January 31, 2015.

## **BUSINESS ITEMS**

**Establish Updated Water and Sewer General Facility Charges for 2015** Finance Manager Parks gave a report on the item. She reminded the Board that 2015 General Facility Charges (GFCs), recently adopted at the January 21, 2015 Board of Commissioners meeting, were based on the Engineering News Record Construction Cost Index last updated August 2014. At that time staff advised if significant index changes were to occur in the near future, a request to modify the GFCs would be re-addressed at that time. Earlier this month the index was updated for January 2015 and increased 2.2 percent.

**Resolution No. 340-15**

Motion by Commissioner Rainville, second by Commissioner McGrath, to adopt Resolution No. 340-15, establishing the updated water and sewer General Facility Charges (GFCs) for the 2015 calendar year; and repealing Resolution Nos. 216-12, 219-12, 221-12, and 338-15. The motion passed unanimously.

**Participation Agreement with KKBL No. 607 Ventures LTD for Saratoga Heights (DE #505)**

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

Brief discussion ensued regarding the reimbursement improvements and the need for a participation agreement.

**Resolution No. 341-15**

Motion by Commissioner McGrath, second by Commissioner Rainville, to adopt Resolution No. 341-15, authorizing a Participation Agreement with KKBL No. 607 Ventures LTD in an amount not to exceed \$52,300; and authorizing the General Manager to sign the agreement on behalf of the District. The motion passed unanimously.

**Award Contract for the 2015 Water and Sewer System Improvements Project**

A letter from Gray & Osborne recommending award of bid, dated February 17, 2015, and revised bid tabulation were distributed.

Operations/Engineering Manager Matthews gave a report on the item, and discussed the projects that make up the 2015 Water and Sewer System Improvements.

**Resolution No. 342-15**

Brief discussion ensued regarding the four work schedules; asphalt overlay for 3rd Street; and the required installation of an ADA-accessible ramp addressed in an addendum to the Call for Bids.

Motion by Commissioner McGrath, second by Commissioner Rainville, to adopt Resolution No. 342-15, awarding the 2015 Water and Sewer System Improvements project (Project #44-13, #58-14, and #77-15) to Shoreline Construction Co. in the amount of \$648,234.53, including tax. The motion passed unanimously.

**Grant Final  
Acceptance of  
Lift Station #8  
Generator  
Transfer Switch  
Project (Project  
#62-14)**

Operations/Engineering Manager Matthews gave a report on the item. He spoke about the minor change order, and stated staff has operated the trailer-mounted generators at the site and has prepared Standard Operating Procedures (SOPs) for the generators at Lift Station #8, #11, and #14.

**Resolution No.  
343-15**

Motion by Commissioner Rainville, second by Commissioner McGrath, to adopt Resolution No. 343-15, granting final acceptance of the Lift Station #8 generator transfer switch project (Project #62-14) contract and contract work for Seven Sisters, Inc. The motion passed unanimously.

**Approve  
Purchase of RAS  
Pump #2  
Replacement**

Wastewater Treatment Facility Manager Bridges gave a report on the item. He spoke about the minimal cost difference between rebuilding/repairing the existing Return Activated Sludge (RAS) pump versus replacing it with a new pump.

Motion by Commissioner McGrath, second by Commissioner Rainville, to authorize the purchase of a non-budgeted capital improvement part consisting of a WEMCO Model E5K-LM-E2W RAS pump from APSCO for the dollar amount not to exceed \$13,616.33, including Washington State sales tax. The motion passed unanimously.

**Financial  
Management  
Policies**

Finance Manager Parks gave a report on the item. She noted the District currently has various policies related to financial management but does not currently have a consolidated, comprehensive financial management policy as recommended by Jim Nelson of D.A. Davidson (bond underwriter). She noted Board-approved resolutions were included in the agenda packet as backup information; in addition, there are detailed policies and procedures for every financial management component. She gave an overview of the additions to the draft policy.

Discussion ensued regarding the existing policies and internal controls. The Board requested staff review Section 7.2 Responsibility & Investigation.

Discussion also ensued regarding the minimum debt service ratio and whether there is desire to increase the ratio above 2.0 times. After discussion, there was consensus of the Board to maintain at ratio at 2.0 times the debt service payment.

Finance Manager Parks spoke about Section 6.1 Operating Reserve and asked the Board if they desired to raise the operating reserve from three times the monthly operating expenses to four to six times monthly operating expenses. She reported that by going to four times, there would be a total reserve increase of \$300,000 to \$400,000. The Board directed staff to compare different operating reserves, along with a recommendation.

**Other Business**

None.

**ADDITIONAL  
REPORTS**

**Management**

**General Manager's Report**

Operations/Engineering Manager Matthews gave an overview of the General Manager's report that addressed the recent Sno-King/Section III meeting; meeting with the City of Everett regarding various water-related topics and possible transferring of sewer only accounts as part of the annexation scheduled for October 2015; and Paine Field booster station jockey pump capital project.

**Capital Projects Status Report**

The Board received the Capital Projects Status Report dated February 18, 2015.

**Water Consumption Report**

The Board received the Water Consumption Reports for 2014 and 2015.

**Discharge Monitoring Report**

The Board received the Discharge Monitoring Report dated January 23, 2015.

**Verbal Reports**

Operations/Engineering Manager Matthews reported on the recent failure of the HVAC unit in the computer server room. The unit may need to be replaced at a cost of \$5,000-\$10,000.

**Legal**

None.

**Engineering**

None.

**Commissioners**

None.

**CONCLUDE**

There being no further business, the President of the Board concluded the meeting at 8:10 p.m.

  
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President/Commissioner Johnson

  
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Secretary/Commissioner Rainville

  
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Vice President/Commissioner McGrath