

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

Minutes of April 13, 2015

The Special Meeting of the Board of Commissioners of April 13, 2015, was called to order at the District office by President Johnson at 3:30 p.m. The purpose of the meeting was to consider all District business that may come before the Board.

**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; Jim Voetberg, General Manager; Lisa Wolfson, Management/Project Assistant

**APPROVAL OF  
AGENDA**      A revised agenda with the addition of a Business Item to Approve Engagement Letter with Foster Pepper was distributed.

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

**VISITORS AND  
COMMENTS  
FROM THE  
AUDIENCE**      Dave Hoagland of Hellam, Varon & Co., and Jim Nelson of D.A. Davidson were in attendance.

**MINUTES**      Motion by Commissioner Rainville, second by Commissioner McGrath, to approve the minutes of the regular meeting of the Board of Commissioners of April 1, 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 \$400,287.92.

<u>Fund</u>	<u>SubFund No.</u>	<u>Voucher No.</u>	<u>Amount</u>
Water Maintenance	740	3869-3905	\$243,489.46
		EFT	22,231.58
Wastewater Maintenance	840	3869-3905	53,699.31
		EFT	15,846.36
East Wastewater Maintenance	941	3869-3905	11,401.80
		EFT	363.52
Water Capital Improvement	745	3864-3866	12,535.02
Wastewater Capital Improvement	846	3868	16,673.14
Water Capital Replacement	747	3867	24,047.73

**Investment Funds Report** Received the Investment Funds Report dated March 31, 2015.

**Developer Extension Agreement (DE #510)** Authorized the President of the Board to sign the Developer Extension Agreement for water and sewer systems for the Boeing 767 Tanker Project (DE #510); and authorized the Engineer or General Manager to sign the plans when District requirements are met.

**Developer Extension Agreement (DE #512)** Authorized the President of the Board to sign the Developer Extension Agreement for water and sewer systems for the 716 3rd Street project (DE #512); and authorized the Engineer or General Manager to sign the plans when District requirements are met.

**Developer Extension Agreement (DE #500)**  
**Resolution No. 348-15** Adopted Resolution No. 348-15, accepting the Developer Extension Agreement for water and sewer systems for Hunttings Hilltop (DE #500) as complete.

**Developer Extension Agreement (DE #499)**  
**Resolution No. 349-15** Adopted Resolution No. 349-15, accepting the Developer Extension Agreement for water and sewer systems for Mazda of Everett (DE #499) as complete.

**Developer Extension Agreement (DE #494)**  
**Resolution No. 350-15** Adopted Resolution No. 350-15, accepting the Developer Extension Agreement for water and sewer systems for New Tech Industries (DE #494) as complete.

**Developer Extension Agreement (DE #507)**  
**Resolution No. 353-15** Adopted Resolution No. 353-15, accepting the Developer Extension Agreement for water system for Whyte's Shelter Storage (DE #507) as complete.

## **BUSINESS ITEMS**

**2014 Financial Statements prepared by Hellam, Varon & Co.** Finance Manager Parks reported on the item. She noted the agenda packet included draft financial statements and the final statements will be brought back for approval at the next Board of Commissioners meeting.

Finance Manager Parks introduced Dave Hoagland of Hellam, Varon & Co. who gave an overview of the District's financial statements. He stated the financial statements were similar to last year's and the District is in good financial condition.

**2015 Bond  
Refinancing of  
2008 Bonds  
Resolution No.  
351-15**

Finance Manager Parks reported on the item. She noted staff has been working to refinance tax exempt revenue refunding bonds from the 2008 Revenue Bonds (not 2012 as indicated in the Board memo).

Finance Manager Parks introduced Jim Nelson of D.A. Davidson who distributed a PowerPoint presentation. He spoke about estimated savings and the remaining financing schedule. He noted tomorrow he would participate in a formal rating presentation conference call with the General Manager, Finance Manager, Operations/Engineering Manager, and Standard & Poor's Rating Services. He answered questions of the Board regarding the difference between AA+ and AAA ratings. He noted he would correct the Preliminary Official Statement to reflect a more accurate Mukilteo population on page A-1.

Motion by Commissioner McGrath, second by Commissioner Rainville, to adopt Resolution No. 351-15, providing for the issuance, sale and delivery of not to exceed \$6,000,000 aggregate principal amount of 2008 water and wastewater revenue refunding bonds. The motion passed unanimously.

**Reservoir #5  
Interior Recoating  
Project (Project  
#66-15 and  
Project #67-15)  
Resolution No.  
347-15**

Operations/Engineering Manager Matthews gave a report on the item. He noted the project consisted of two subprojects: Reservoir #5 interior painting (Project #66-15) and Reservoir #1 piping modifications and exterior painting (Project #67-15).

District Engineer Delfel reported Coatings Unlimited was the low bidder and after review of the bids and speaking with Coatings Unlimited, Gray & Osborne recommends award to them. District Engineer Delfel commented the noticeable lower bid price was likely due to Coatings Unlimited owning much of the needed equipment, precluding the need to rent it. He also noted Coatings Unlimited has performed work for the District in the past on Reservoir #2.

Motion by Commissioner Rainville, second by Commissioner McGrath, to adopt Resolution No. 347-15, awarding the Reservoir #5 Interior Recoating project (Schedule A; Project #66-15) and the Reservoir #1 Exterior Painting project (Schedule B; Project #67-15) to Coatings Unlimited Inc. in the amount of \$694,981.17, including tax. The motion passed unanimously.

**Minimum Deposit  
for Developer  
Extensions  
Resolution No.  
352-15**

Operations/Engineering Manager Matthews gave a report on the item. He noted that Developer Extensions require a deposit by the Developer to cover estimated District Engineer costs, District inspection and other costs necessary to ensure the infrastructure is installed to District standards. Historically, the District has required a minimum deposit of \$2,000 but has seen deposits in excess of \$20,000 for more complex projects. It had

recently come to staff's attention that there is no official/documented minimum initial deposit and the proposed resolution was drafted to establish a minimum. Operations/Engineering Manager Matthews said staff is recommending \$2,500, an increase from the \$2,000, because nearly all the recent DEs, even the minor ones, end up costing around \$2,500. Rather than getting an initial deposit of \$2,000 only to ask for more, staff is recommending the minimum be set at \$2,500. Operations/Engineering Manager Matthews noted that any unused deposit is reimbursed back to the Developer.

Motion by Commissioner McGrath, second by Commissioner Rainville, to adopt Resolution No. 352-15, establishing a minimum deposit for Developer Extensions.

***Foster Pepper  
Engagement  
Letter***

A memorandum with engagement letter and scope of work attachments was distributed.

Finance Manager Parks gave a report on the item. Finance Manager Parks noted the engagement letter from Foster Pepper addresses work associated with refunding the 2008 bonds authorized by the Board earlier in the meeting.

Motion by Commissioner Rainville, second by Commissioner McGrath, to authorize the General Manager to sign the engagement letter with Foster Pepper PLLC for legal services related to the 2015 Refunding of 2008 Bonds. The motion passed unanimously.

***Other Business***

None.

***ADDITIONAL  
REPORTS***

***Management***

**General Manager's Report**

General Manager Voetberg noted WASWD's recognition and certification of continuing education by Commissioner McGrath.

There was consensus of the Board for staff to bring back a policy for Board consideration that establishes guidelines or standards for attending "official meetings."

General Manager Voetberg announced the District has been awarded the 2015 WellCity Award sponsored by the Association of Washington Cities (AWC).

General Manager Voetberg noted he and Commissioner Rainville attended a Sno-King meeting, and he deferred to Commissioner Rainville about the discussions on legislative issues. Commissioner Rainville noted there was extremely little likelihood the Public Works Assistance Account would survive and there was an interesting discussion on alternatives to funding water and wastewater projects, including sewer and water districts creating their own loan program.

**Capital Projects Status Report**

The Board received the Capital Projects Status Report dated April 13, 2015.

**Water Consumption Report**

The Board received the Water Consumption Report dated April 9, 2015.

**Discharge Monitoring Report**

The Board received the Discharge Monitoring Report for March 2015.

**Verbal Reports**

Finance Manager Parks reported employees received a presentation regarding the District's planned changes to healthcare plans.

Operations/Engineering Manager Matthews reported staff is currently working with the City of Everett to prepare its annual Consumer Confidence Report. He noted the report addresses lost and unaccounted for water, and he stated this year's percentage was lower than in previous years.

Wastewater Treatment Facility Manager Bridges reported staff is exploring various options and alternatives to address nutrient removal in the future.

**Legal**

None.

**Engineering**

District Engineer Delfel reported the Northwest Straits Foundation recently issued its annual report that cited the District as a partner in its mitigation of derelict crab pots during the District's work on the Outfall Replacement project. He also reported the City of Everett signed a new sewage treatment agreement with Silver Lake Water and Sewer District.

**Commissioners**

There was brief discussion by Commissioner Johnson and Commissioner Rainville regarding today's passage by the House of Representatives of Engrossed Substitute Senate Bill 5048, subjecting a resolution or ordinance adopted by the legislative body of a city or town to assume a water-sewer district to a referendum.

**CONCLUDE**

There being no further business, the President of the Board concluded the meeting at 4:19 p.m.

  
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President/Commissioner Johnson

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Secretary/Commissioner Rainville

  
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Vice President/Commissioner McGrath