

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

Minutes of January 18, 2012

The January 18, 2012 Regular Meeting of the Board of Commissioners was called to order at 7:00 PM in the District office.

PRESENT Commissioners – Joan Caine, Mike Johnson, Thomas McGrath, Thomas Rainville,
Engineer – Mike Jauhola
Staff – Gil Bridges, Dan Hammer, Rick Matthews, Sue Parks, and Denise Pound
Audience – Jim Nelson of Martin Nelson & Company

APPROVAL OF AGENDA Commissioner Rainville made a motion to approve the Agenda as presented. Commissioner Johnson seconded the motion. The motion passed unanimously.

MINUTES APPROVED Commissioner Johnson made a motion to approve the minutes of the January 4, 2012 Board Meeting. Commissioner Rainville seconded the motion. The motion passed unanimously.

CONSENT AGENDA After review of the Consent Agenda Items, Commissioner Caine made a motion to approve the items listed. Commissioner Johnson seconded the motion. The motion passed unanimously.

Vouchers

Water Maintenance Fund (741-5408666)
Beginning with 3712 in the amount of \$5,139.06

Water Maintenance Fund (741-5408666)
Beginning with 3713 through 3751 in the amount of \$261,942.63

Water Capital Improvement Fund (741-5458666)
Beginning with 3708 through 3709 in the amount of \$7,028.61

Water Capital Replacement Fund (741-5478666)
Beginning with 3710 through 3711 in the amount of \$6,443.46

Wastewater Maintenance Fund (741-58408666)
Beginning with 3435 in the amount of \$57.68

Wastewater Maintenance Fund (741-58408666)
Beginning with 3436 through 3447 in the amount of \$17,444.41

Wastewater Capital Improvement Fund (741-58468666)
Beginning with 3448 through 3454 in the amount of \$167,692.48

Big Gulch Capital Fund (741-58568666)
Beginning with 3433 in the amount of \$125.00

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East Wastewater Maintenance Fund (741-59418666)
Beginning with 3335 in the amount of \$6,327.27

East Wastewater Maintenance Fund (741-59418666)
Beginning with 3336 through 3341 in the amount of \$3,779.04

East Wastewater Capital Improvement Fund (741-59528666)
Beginning with 3332 through 3334 in the amount of \$11,916.07

Discharge Monitoring Report

The Board reviewed and approved the December 2011 Discharge Monitoring Report.

December 2011 Adjustments to Customers Accounts

The Board reviewed the December 2011 Customer Account Adjustment Report which indicated 6 accounts were adjusted. The President of the Board was authorized to sign the form.

Election of Officers

Resolution 212-12 In accordance with the Board's action at the January 4, 2012 meeting staff provided Resolution 212-12 certifying the election of Board officers for 2012.

Accepting Developer Extension Agreements

**Raymond Ridge,
Ext. #488**

The owner/developer for Raymond Ridge, 1821 Goat Trail Rd in Mukilteo, submitted a Developer Extension Agreement for Board approval and signing. The Pre-Application and information provided have been sent to the attorney for review to make sure it conforms to District requirements and has been approved. The Developer is not requesting reimbursement. A deposit of \$5,000 was estimated and paid for the project to cover District expenses including engineering, inspection, legal, permits and administration fees.

The developer will be making improvements to the water and sewer system by looping the water main through the project and installing an onsite sewer collection system for 22 lots. Plans have been submitted and will be reviewed once the Developer Extension Agreement has been approved by the Board.

The President of the Board was authorized to sign the Developer Extension Agreement on behalf of the District and the Engineer or General Manager to sign the plans when they meet District requirements.

Resolution 213-12
Electroimpact
Highbay Facility
Ext.#402

Electroimpact entered into a Developer Extension Agreement to make improvements to the water system for the new Highbay Facility. The transfer of Ownership and Bill of Sale for water facilities has been provided to the District. The project has been completed. A deposit of \$3,500 was made; all invoices have been charged and paid leaving no balance to be refunded. Electroimpact did provide a \$5,000 Cash Completion Bond to receive service prior to completing their punch list. Since all work has been completed, the Cash Completion Bond can be released.

The Board accepted this project as complete and signed Resolution 213-12 accepting the system for maintenance and operation and authorized staff to refund Cash Completion Bond.

December 2011 Investment Report

The Board reviewed and approved the December 2011 Investment Report

Government Finance Officers Association (GFOA) Conference

The Board approved attendance of the Conference by Mukilteo Water and Wastewater District Finance Manager, Sue Parks in June 2012.

BUSINESS
ITEMS

Public Hearing
Water and Sewer
Rate Adjustment

District Staff had proposed to have a Public Hearing on rates as recommended in the FCS Group Rate Study and reviewed with the Commissioners during the December 7, 2011 commissioner meeting.

The General Manager reported he had a meeting in early January with FCS Group and the District attorney to discuss the draft rate study, the District proposes to borrow up to \$3.5 million dollars by selling revenue bonds, and other issues. The end result was that the General Manager asked FCS Group to make some revisions to the Draft Rate Study. Before the rate hearing Staff would like to meet with Snohomish County Airport staff and their consultant to discuss the proposed rates and how the District has addressed or considered some of the issues they have raised with the District.

The District had published a notice in the Mukilteo Beacon that the Public Hearing would be held during the January 18, 2012 MWWD Commissioner Meeting. Because the Public Hearing has been published we should open the Public Hearing and take public comments. Mr. Hammer

proposed the Public Hearing be continued until the February 1st or February 15th, 2012 Mukilteo Water and Wastewater District Board meeting. Discussion followed. The Public hearing was opened, no public comments were received.

Commissioner Rainville made a motion to close the Public Hearing and reschedule a new Public Hearing at the February 15th, 2012 MWWD Board Meeting. Commissioner Caine seconded the motion. The motion passed unanimously.

2012 Sewer
Revenue Bonds

During the January 4, 2012 MWWD Commissioner Meeting discussion was held regarding the forecasted \$263,600 shortfall in funding the Big Gulch Wastewater Treatment Facility (WTF) Headworks Project. Bond funding for the Headworks Project rather than accepting the Department of Ecology (DOE) State Revenue Fund loan to expedite construction was also discussed.

Mr. Jim Nelson of Martin Nelson & Company gave a presentation related to selling bonds, indicating the District could sell a bond issue of approximately \$3.8 million at an estimated interest rate of 2.8%. Discussion followed. Consensus was given to Staff by the Commissioners to move ahead with selling Revenue Bonds to fund Capital Projects identified in the District's 2011 Wastewater Comprehensive Plan.

Big Gulch
Wastewater
Treatment
Facility (WTF)
Headworks
Project

The plans and specifications for the Headworks Project are at the 95% completion level. If the MWWD Commissioners decide to sell bonds to fund the project, the specification will require minor modifications to remove the Department of Ecology SRF required language. A tentative schedule was presented to the Board with a request to authorize staff to go to bid with the Big Gulch WTF Headworks Project. Discussion followed.

Commissioner Johnson made a motion to authorize District Staff to go to bid for the Big Gulch WTF Headworks Project. Commissioner Caine seconded the motion. The motion passed unanimously.

Engineering Firm
Recommendation

The District requested Statement of Qualifications (SOQ) from engineering firms desiring to provide on-call engineering services to the District for the next two years. A staff committee was formed to evaluate SOQ's, select engineering firms to interview, interview engineering firms and select an engineering firm to recommend to the MWWD Commissioners. Four firms were selected for Staff to interview with Commissioner Caine observing. After completing the interviews and checking the references of

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three of the firms selected, Staff recommended Gray & Osborne, Inc and asked the Board to authorize Staff to enter into a contract to provide On Call Engineering Services to the District for two years.

Commissioner Rainville made a motion to authorize Staff to enter into a contract with Gray & Osborne, Inc. to provide On Call Engineering Services to the District for a period of two years. Commissioner Johnson seconded the motion. The motion passed unanimously.

Management Reports

Mr. Hammer advised from March 31, 2011 through December 31, 2011 the District had realized substantial savings from purchasing water from Alderwood Water and Wastewater District.

Commissioners


Commissioner Johnson asked about progress on the gate installation. Mr. Matthews reported about the status of the project and concerns ongoing about the light fixture installation.

CONCLUDE

There being no further business the President of the Board concluded the meeting at 7:48 p.m.



President/Commissioner McGrath



Vice President/Commissioner Johnson



Secretary/Commissioner Caine



Commissioner Rainville