

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

Minutes of February 20, 2019

The Regular Meeting of the Board of Commissioners of February 20, 2019 was called to order at the District office by Commissioner Rainville at 7:00 p.m.

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

Motion by Commissioner Johnson to excuse the absence of Commissioner McGrath, second by Commissioner Rainville. The motion passed unanimously.

Engineering:
Eric Delfel (Gray & Osborne)

Legal:
John Milne (Inslee Best)

Staff:
Jim Voetberg, General Manager; Rick Matthews, Operations/Engineering Manager; Sue Parks, Finance Manager; Kendra Chapman, Executive Assistant/HR

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

**VISITORS AND
COMMENTS
FROM THE
AUDIENCE** Jeff Clarke, resident of Mukilteo, to observe the meeting.

MINUTES Motion by Commissioner Johnson, second by Commissioner Rainville, to approve the minutes of the regular meeting of the Board of Commissioners on February 6, 2019. The motion passed unanimously.

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

Vouchers Approved Vouchers in the amount of \$401,611.67

| <u>Fund</u> | <u>SubFund No.</u> | <u>Voucher No.</u> | <u>Amount</u> |
|------------------------|--------------------|--------------------|---------------|
| Water Maintenance | 740 | 8197-8239 | \$133,019.52 |
| Water Maintenance | 740 | ACH | 30,636.29 |
| Water Capital | 746 | 8196 | 3,790.98 |
| Wastewater Maintenance | 840 | 8197-8239 | 176,770.16 |
| Wastewater Maintenance | 840 | ACH | 21,916.97 |
| Wastewater Capital | 846 | 8195 | 35,477.75 |

Investment Fund Report The Board received the January Investment Funds Report.

BUSINESS ITEMS

CliftonLarson Allen LLP Agreement Finance Manager Parks presented the item noting Dave Hoagland of CliftonLarsonAllen has done the District's financial reports in previous years and has done a good job. Parks also noted this year's cost includes a 5.3% increase from the previous year.

General discussion occurred.

Motion by Commissioner Johnson, second by Commissioner Rainville, to authorize the General Manager to execute an Agreement for Consulting Services between MWWD and CliftonLarsonAllen LLP in the amount not to exceed \$24,100, including expenses. The motion passed unanimously.

Investment Limits General Manager Voetberg presented the item stating the item is for discussion only. Voetberg noted previous discussion by the Board indicated a potential desire to reduce the Per Issuer limit for GSE-Agency Obligations which is currently 35%. Voetberg added District investments issued through the Federal Home Loan Bank is currently around 20% and a separate investment to be reinvested on Friday the 22nd will be issued through Freddie Mac, making investments through Freddie Mac around 20% as well. Voetberg said he wanted the Board to be aware of the investment distribution with Friday's reinvestment and added he will include the discussion and potential modification to the Investment Policy at the meeting of March 6th.

General discussion occurred. Rainville noted the Per Issuer limit for GSE-Agency Obligations is high given the District's size and believed a lower limit should be discussed.

Other Business None.

ADDITIONAL REPORTS

Management **General Manager's Report**
General Manager Voetberg reported the WASWD legislative update was included in the Board packet for review.

Voetberg reported that while monitoring Everett's wheeling data, Finance Manager Sue Parks noticed the increase in Equivalent Dwelling Units

(EDU's) appeared smaller than one would expect given the increase in building activity. Voetberg added after a review by the finance department it was found the EDU's had been miscalculated by the City of Everett resulting in a credit for past miscalculated EDU's of \$89,000. Voetberg said Sue has work with the City of Everett on correcting the EDU count and has billed Everett accordingly. Voetberg gave kudos to Parks for finding and correcting the issue.

Voetberg reported he would be out of the office at the Utility Management Conference and not in attendance at the March 6th Board Meeting, adding Rick Matthews would serve as Acting General Manager during this time.

Customer Past Due/Aging Report

The Board received the report.

Discharge Monitoring Report

The Board received the report.

Verbal Reports

Finance Manager Parks had no report.

Operations/Engineering Manager Matthews reported the Operations Storage Building footings and slab were poured. Matthews also reported he is still working with WSDOT Ferries Division to get signed plans by the District.

Legal

Attorney John Milne gave a brief update on the King County Right-of-Way litigation as well as the Federal Way Excise Tax litigation.

Engineering

Engineer Eric Delfel reported the contractor for the Lift Station No. 10 project is still completing the final punch list. Delfel also reported that due to weather, SRV Construction has pushed back the start date of the 2019 Water and Sewer Improvements Project to February 25th.

Commissioners

No Report.

EXECUTIVE SESSION

General Manager Voetberg requested an executive session in regards to the Sewage Disposal Agreement between the District and the City of Everett involving potential litigation.

Sewage Disposal Agreement Between the District and the City of Everett

There was a motion by Commissioner Johnson, second by Commissioner Rainville to convene to executive session as 7:12 pm to discuss potential litigation with legal counsel pursuant to RCW 42.30.110(1)(i) relating to the Sewage Disposal Agreement Between the District and the City of Everett. The motion passed unanimously. Commissioner Rainville advised the executive session would last twenty (20) minutes, concluding at approximately 7:32 pm. The Commissioners, General Manager,

Operations/Engineering Manager, Engineer Eric Delfel and Attorney John Milne attended the executive session. At 7:32 pm the executive session concluded and open public meeting convened.

Following a brief discussion, a motion was made by Commissioner Johnson, seconded by Commissioner Rainville to direct the General Manager to advise the City of Everett in writing that, if the City Utility acquired the Lowell/Marshland property for biosolids disposal, the District would oppose any attempt by the City to characterize the property as a capital facility under the District's long-term agreement for sewage disposal and charge the District for a portion of the cost of the property. The motion was unanimously approved.

CONCLUDE

There being no further business, the President of the Board concluded the meeting at 7:34 p.m.



President/Commissioner Rainville

ABSENT

Vice President/Commissioner McGrath



Secretary/Commissioner Johnson