

EMERGENCY CITY COUNCIL MEETING

00061

June 1, 1990

3:30 p.m.

Public Safety Center

PRESENT: Mayor Rita Matheny

ABSENT: Bob Lashua

Councilmembers:

Donna Pedersen

Lee Cundiff

Dave McGee

Donna Wright

Kenneth Baxter

Dave Weiser

Administrative Staff:

Carolyn Sanden, City Administrator

Jim Allendoerfer, City Attorney

Dave Zabell, Public Works Director

Bob Kissinger, Utilities Superintendent

Mary Swenson, Deputy City Clerk

CALL TO ORDER:

Mayor Matheny called the meeting to order at approximately 3:40 p.m.

City Attorney Allendoerfer stated that this meeting was called on such short notice because an emergency exists. A decision has to be made on how to proceed with the pipeline project before 5:00 p.m. today. The City was not aware that a decision had to be made until approximately noon today.

Recording Secretary Swenson stated that she was not able to contact Councilmember Bob Lashua. She indicated that she contacted Councilmember Donna Pedersen and Councilmember Dave McGee but they could not be present at this meeting because of their work scheduled.

City Administrator Sanden stated that she did have an opportunity to explain the situation to Councilmember McGee. He told her what decision he would like to see made on this issue. She will brief Council on his recommendation at the appropriate time during this meeting.

James Cook, representing James M. Montgomery Consulting Engineers, Inc., addressed the Council. He explained his letter to Public Works Director Zabell dated May 31, 1990 (see attached exhibit A).

Mr. Cook explained in detail the three options available to the City for production of the pipe. All three options have advantages and disadvantages; these were also explained in detail. (See attached exhibit A.)

Mayor Matheny asked if there would be security for the pipe if it was stored according to option #3.

Mr. Cook stated that option #3 would provide security for the pipe storage.

Public Works Director Zabell stated that storage of coated and lined pipe presents a problem. Once the pipe is coated and lined it must be stored under cover to protect the pipe from sun light. There also must be moisture present in the pipe while it is stored.

Public Works Director Zabell stated that the City does have an option 4. This would be to cancel the current contract. However there would be costs associated with this option and the City would receive nothing.

Mayor Matheny asked if we were aware of the shelf time for this pipe.

Mr. Cook stated that no one considered the shelf life of the pipe because it is not the usual practice to store this type of pipe.

Mr. Cook informed the Council that Mark Robison of Robison Construction would be available by phone if they had any questions. Robison Construction is the contractor for the pipeline project.

Councilmembers reviewed the option costs in Table 1 of Exhibit A.

City Attorney Allendoerfer called to the Council's attention the mathematical error in 3A of Table 1, Option Costs.

Councilmember Baxter stated that if we do nothing it will cost us \$500,000.00.

City Administrator Sanden stated that this is true. Option 3 appears to be the best option. The pipe would not be lined and coated, could be stored, and would be marketable if the City so wishes.

There was a discussion regarding how the pipe is manufactured.

Councilmember Baxter asked if 30 inch pipe of this quality is common.

Mr. Cook stated that 30 inch pipe is a common size.

Harry Dunham, representing James M. Montgomery Consulting Engineering, Inc., explained the coating that is used on this type of pipe. Recently, this type of pipe is being used more often. However, by not putting the coating on the pipe it makes it more marketable.

Mr. Dunham stated that if the City does not prevail in the lawsuit the pipe could be used in other areas of the Marysville water system.

Councilmember Weiser asked if the pipe could be stacked (one on top of the other) once the coating and lining is put on the pipe.

Mr. Dunham stated that the pipe should not be stacked once the coating and lining is in place.

There was a discussion regarding the storage and handling costs of option 3.

City Attorney Allendoerfer stated that the compromise is option 3. He stated that there still remains four potential risks to this pipeline project. They are as follows:

1. The City may not prevail in the lawsuit.
2. The City has not secured acquisition of all right-of-way easements. Four parcels are still needed.
3. The utility franchise has not been granted by Snohomish County.
4. The City of Everett and PUD are disputing if Everett can sell Marysville water. This is currently in arbitration.

Mayor Matheny asked if the City can sue PUD for damages if we win the lawsuit.

City Attorney Allendoerfer stated that we could look to PUD for delay damages.

Mayor Matheny asked if the City's insurance would cover any of the costs if we do not win in court.

City Attorney Allendoerfer stated that the City's insurance would not cover this issue. The City has sold anticipation notes and we can't sell bonds unless we build the pipeline.

Mr. Cook placed a call to Mark Robison or Robison Construction, the contractor on the project. The call was placed on the speaker phone in the Council chambers.

Mr. Robison stated that he has contacted his subcontractors and they are willing to hold their prices for 5 months. There would be an additional \$12,000.00 cost for moving of equipment (because of this delay the equipment will have to travel twice as far).

Mr. Robison stated that there could also be an additional cost because of one low area that won't be as dry during the winter months. This could add another \$20,000.00 to the project.

City Attorney Allendoerfer stated that the Department of Fisheries requirements could also be a problem in this low area.

Mr. Cook stated that October 15th is the end of the "window" for construction in the ravine. This window doesn't open back up until June.

Public Works Director Zabell stated that construction could occur on the sensitive areas first.

The phone conversation between Robison and Councilmembers ended at this point in the meeting.

City Administrator Sanden stated that Councilmember McGee told her he would opt for option 3.

Following discussion regarding the merits and the motives behind the PUD lawsuit, Councilmember Baxter moved to select option 3 in the attached exhibit A. Councilmember Wright seconded the motion and the motion passed unanimously.

City Staff instructed Mr. Cook to notify Robison Construction of their decision immediately.

ADJOURNMENT:

The meeting adjourned at approximately 4:45 p.m.

THE CITY OF MARYSVILLE


MAYOR


DEPUTY CITY CLERK