

**MINUTES OF THE MEETING OF
COMMISSIONERS OF THE
SILVER LAKE WATER & SEWER DISTRICT**

February 27, 2014

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on February 27, 2014, beginning at 5:30 p.m., at the District Administration Building. Attending were Commissioners Bill Anderson, Rod Keppler, and Anne Backstrom. Also present were General Manager Patrick Curran, District Engineer Rick Gilmore, and Finance Manager Brad Nelson; Eric Delfel with Gray & Osborne; and John Milne with Inslee, Best, Doezie, & Ryder P.S., Attorney for the District.

- 1.) **CALL TO ORDER:** Commissioner Backstrom called the meeting to order at 5:30 p.m.
- 2.) **APPROVAL OF MINUTES:** The Minutes of the regular meeting of February 13, 2014 were unanimously approved as circulated.

3.) **FINANCIAL MATTERS:**

a.) **Vouchers and Check(s) Approval:**

Following discussion of various matters, vouchers and revolving fund checks were unanimously approved and signed as follows:

Fund	Code	Number	Amount
Water Maintenance	743 5408666	.01-001-.01-058	143,931.04
Sewer Maintenance	743 5418666	.01-001-.01-031	88,148.73
Sewer Capital Improve.	743 5448666	.01-001-.01-002	1,452.28
Water Capital Improve.	743 5468666	.01-001-.01-006	16,955.64
Revolving Check Fund		3331 - 3349	30,707.13
Total Warrants			281,194.82

The Commissioners raised questions concerning the recommendation of Mr. Nelson and Mr. Curran to enter into a banking relationship with Key Bank. They expressed concern about using the bank's "lock box" service to process customer check payments to the District. They questioned the cost of this service. The Commissioners' reviewed the reasons why the District was moving away from Opus Bank. They wondered if there was not some bank in Snohomish County other than Key Bank that could provide the service expected by staff and why the District was requiring cyber security criteria that other utilities were not requiring. It was explained the higher cyber security requirements were being driven by the urging of the District's insurance pool and the experience with cyber liability of other agencies and businesses when employees' and customers' private information is "hacked" from electronic records of these agencies and businesses. Mr. Nelson advised he and Mr. Curran were in the process of negotiating a document that would establish a banking relationship with Key Bank. Mr. Curran advised that the terms

of this agreement with Key Bank would be brought to the Board for review prior to its signing.

4.) CAPITAL IMPROVEMENT PROJECTS

a.) Developer Extension Agreements

Mr. Gilmore presented a verbal summary to the Board of Commissioners of the Developer Extension Agreement with attached Project Site map, for the plat of Silver Lake Ridge, for their review.

Following discussion, by motion passed unanimously, the Board of Commissioners accepted and executed the Developer Extension Agreement for the plat of Silver Lake Ridge.

b.) Reservoir No. 2 Improvements Project 2014

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the 2014 Reservoir No. 2 Improvements project, for their review. He advised the public works contract for this project has been signed with Long Painting Company and a pre-construction meeting with Long is scheduled for Wednesday, March 5, 2014.

5.) STAFF REPORTS

a.) District Engineer:

No Further Report.

b.) Finance Manager:

Mr. Nelson advised the Board the number of customer shuts offs dropped this month but staff experienced expressions of increased anger from customers that continue to be challenged in meeting their financial obligations.

Mr. Nelson advised the Commissioners that the District, acting as its own Treasurer, entered into an agreement with Bank of New York for revenue Bond payments.

Mr. Nelson advised the Board Mr. David Hoagland of Hellam Varon is scheduled to start the review of the District's financial systems for its 2013 Financial Report the last week of March.

c.) Attorney:

No Further Report.

d.) General Manager:

Mr. Curran reported to the Commissioners that Mr. Lou Baransky, health insurance broker for the District, was meeting with all District staff tomorrow morning, February 28, 2014, to discuss various matters on the 2014 health insurance plans.

The General Manager requested an Executive Session to discuss matters pursuant to RCW 42.30.110 (1) (c) regarding property currently owned by the District, and RCW 42.30.110 (1) (i) regarding potential litigation regarding such property. A motion was

made, seconded, and unanimously approved by the Board of Commissioners to convene to an Executive Session to discuss this matter. Before convening to the Executive Session at 6:05 p.m., Commissioner Backstrom advised that the Executive Session would be concluded at 6:25 p.m. The Executive Session concluded at 6:25 p.m. and the open public meeting reconvened.

The Board of Commissioners took no further action and Commissioner Backstrom adjourned the meeting.

This ends the Minutes of the February 27, 2014 regular meeting. The following signature page is a scanned image of the original signature page of the Minutes and certifies these are the approved Minutes by the Secretary of the Board.

Minute Certification

I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

1. The attached copy of the Minutes of the Meeting of Commissioners (the "Minutes") is a full, true and correct copy of the Minutes of the February 27, 2014 regular meeting of Commissioners, duly adopted at a regular meeting of the Board of Commissioners of the District, held at the regular meeting place thereof on March 13, 2014, as these Minutes appear on the Minute book of the District; and;

2. A quorum of the members of the Board of Commissioners was present throughout the meeting and a majority of those members present voted in the proper manner for the approval of these Minutes.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of March 2014.

**SILVER LAKE WATER AND SEWER DISTRICT
SNOHOMISH COUNTY, WASHINGTON**



Rod Keppler, Secretary