

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

March 27, 2014

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on March 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 March 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	.03-045-.03-083	\$179,476.70
Sewer Maintenance	743 5418666	.03-014-.03-026	51,804.00
Sewer Capital Improve.	743 5448666	.03-003-.03-004	2,501.03
Water Capital Improve.	743 5468666	.03-002-.03-004	14,775.70
Revolving Check Fund		3353 - 3368	2,331.32
Total Warrants			\$250,888.75

b.) **Staff Report-2014 Pass-through Rate Increase**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding the 2014 Pass-through Rate increase, for their review. The City of Everett (City) Water Rate increase is \$.22 per unit, with the City's per unit water rate increasing to \$2.155. The City provided the District with its 2014 Sewer rate on March 10, 2014, and outlined a monthly rate of \$30.67 per ERU. This is an increase of \$0.81.

Staff is currently reviewing several rate formula adjustments proposed by the City with the most significant being a credit of \$404,961, classified as Inter-fund Insurance transfers. Staff recommended that the Board of Commissioners authorize District staff to dispute the City's 2014 Sewer rate until District concerns regarding the City's Inter-fund transfers for insurance service are addressed, and to delay action on the 2014 Pass-through rate increase to April 24, 2014.

Following discussion, by motion passed unanimously, the Board of Commissioners authorized staff to dispute the City's 2014 Sewer rate until the Inter-fund transfers for insurance service are addressed, and delay action on the 2014 Pass-through Rate increase to April 24, 2014.

4.) CAPITAL IMPROVEMENT PROJECTS

a.) 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. The Contractor mobilized the sand blasting operations and has completed the interior roof seam blasting, to allow for interior seam welding of the roof to begin. The scaffolding and containment shroud construction is continuing. The welders will mobilize to the site and begin seam welding next week. The painting climate control requirements demand 24-hour operation, and the use by the Contractor of District power will eliminate the use of diesel generator equipment for night time operations on this project.

5.) INTER-AGENCY REPORT(S)

a.) Clearview Agency – JMUSA Agreement

Mr. Curran presented a verbal update to the Board of Commissioners regarding a draft of a proposed Clearview Agency JMUSA Agreement.

b.) AWWA Wholesale Water Customer Annual Meeting

Mr. Curran presented a verbal update to the Board of Commissioners of the AWWA Wholesale Water Customer Annual Meeting he attended on Tuesday, March 25, 2014.

6.) STAFF REPORTS

a.) District Engineer:

No Further Report.

b.) Finance Manager:

Mr. Nelson reported District staff is managing payroll quite well and is pleased with interactions with Paychex, Inc. Mr. Nelson reported discussion continues with Key Bank regarding inclusion of cyber security practices and risk allocation terms in Key Bank's agreement for services with the District. Mr. Nelson advised David Hoagland with Hellam Varon will start work on preparation of the District's 2013 Financial Statement on Monday, March 31, 2014. His work on review of the District's internal controls for its financial transactions will wait until July 2014.

c.) Attorney:

Mr. Milne reported new state legislation requires all elected officials to receive annual training on Open Public Meeting laws and Access to Public Records laws.

d.) General Manager:

Mr. Curran advised the Commissioners that the District is going to replace 10 phones and the District's phone system software, due to sporadic failures of phone messaging. This equipment and software is approximately 13 years old and is coming to the end of its life cycle.

Mr. Curran reported that Ricky Gordon, a District Seasonal worker, has accepted a full-time position with the District as a Utility Maintenance Worker 1. As a Seasonal worker he has proven himself to be a hard working self-starter.

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 42.30.110 (1) (i) regarding potential litigation regarding such property, and 42.30.110 (1) (i) regarding potential litigation involving a proposed Franchise Agreement with the City of Mill Creek. A motion was made, seconded, and unanimously approved by the Board of Commissioners to convene to an Executive Session to discuss these matters. Before convening to the Executive Session at 6:20 p.m., Commissioner Backstrom advised that the Executive Session would be concluded at 6:30 p.m. The Executive Session concluded at 6:30 p.m. and the open public meeting reconvened.

There being no further business before the Board the meeting was adjourned.

This ends the Minutes of the March 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 March 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 April 10, 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 10th day of April 2014.

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



Rod Keppler, Secretary