

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

May 8, 2014

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on May 8, 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; Tom Zerkel 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 April 24, 2014 were unanimously approved as circulated.
- 3.) **FINANCIAL MATTERS:**

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

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

| Fund | Code | Number | Amount |
|------------------------|-------------|-----------------|-----------------------|
| Water Maintenance | 743 5408666 | .05-001-.05-030 | \$40,421.20 |
| Sewer Maintenance | 743 5418666 | .05-001-.05-008 | 599,946.94 |
| Sewer Capital Improve. | 743 5448666 | .05-001-.05-001 | 116,909.20 |
| Water Capital Improve. | 743 5468666 | .05-001-.05-002 | 402,704.68 |
| Revolving Check Fund | | 3401 - 3410 | 928,026.87 |
| Total Warrants | | | \$2,088,008.89 |

b.) **Staff Report-Columbia Bank Proposal for Banking Services**

Mr. Nelson reported to the Board of Commissioners of an introductory meeting he had with Columbia Bank representatives regarding their interest in providing banking services for the District. They are in the process of preparing their response to the District's 2013 Request for Banking Services.

c.) **Summit Memo-Computer Hardware Procurement**

Mr. Curran presented a verbal summary to the Board of Commissioners of a memo received from Summit Engineering & Consulting regarding Computer Hardware Procurement, for their review. The equipment purchased from Dell is: 8 work station computers with monitor, speakers, and a wireless mouse for each; 1 tablet computer with case, dock and keyboard accessories; 1 server for hosting the District's centralized network applications; 2 network switches (10GB speed)-one for the main office and one for the backup bunker in the shop; and 1 storage area network "SAN" with 14TB hard

drive space and 10GB communication speed. Through negotiations, the final price for these items is \$49,984.01 provided the order was placed by April 30, 2014. By motion passed unanimously, the Commissioners ratified and approved the placement of this order by the General Manager.

d.) Release and Settlement-Nulle Sewer Backup

Mr. Curran presented a verbal summary to the Board of Commissioners of a letter copy received from WCIA, regarding payment and final settlement of the Mr. Nulle claim for a sewer backup that took place April 02, 2014, for their review. Mr. Nulle submitted a Release form to WCIA regarding the claim against the District, and a check in the amount of \$2,610.21 was forwarded to Mr. Nulle. WCIA has closed this file.

4.) CAPITAL IMPROVEMENT PROJECT(S)

a.) Reservoir No. 2 Improvements Project 2014

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and Gray & Osborne's Progress Payment Request No. 2 (reflecting completed work through April 25th) for the Reservoir No. 2 Improvements project, for their review. The sand blasting crews completed the removal of the existing exterior coating system and have the complete exterior primer coating in place as of May 7th. The painting crews are moving to the inside to complete the sand blasting and priming of the interior coating system on the tank. CBI will remobilize to the tank to work on the installation of the stairs, gutters, downspouts, catwalks and roof hatch and vent modifications. Long Painting has provided a retainage bond for the work on this project and the Progress payment reflects that no funds have been withheld from this payment. Staff requested the Board review and if acceptable, approve Progress Request No. 2 and direct staff to process payment to Long Painting Company as identified.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Progress Request No. 2 and directed staff to process a payment in the amount of \$370,374.05 to Long Painting Company.

b.) Master Meter No. 10

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and Gray & Osborne's Scope of Work and Cost Estimate regarding the AWWD Intertie Master Meter No. 10 project, for their review. This project was placed on hold to resolve the Franchise agreement with the City of Mill Creek, except for work necessary and performed under emergency action to construct a portion of the project that was within Mill Creek Blvd. prior to City pavement work scheduled for 2013.

The work performed by Gray & Osborne for the construction management of the emergency work was necessary, and performed under their existing authorized services for assisting the District with this project to clear the Mill Creek paving work. Gray & Osborne requested an increase in their construction management budget to allow for the additional construction management work performed for the first phase (emergency work). Their request of \$12,387.00 was detailed in their letter and staff reviewed and fully supports the request. This request will raise the Gray & Osborne budget to a not-to-exceed total of \$134,487.00 for this project (their original estimate of \$122,100.00 for

design and construction management services plus the actual construction management expenditures of the emergency work of \$12,387.00).

The Franchise agreement with the City of Mill Creek is now in place. The project plans and specifications for the remaining Master Meter No. 10 installation work are ready to go to bid. Gray & Osborne's estimate for the project cost, with the requested budget increase, totals \$871,232.00 and includes the emergency construction expenditure and construction contingency, calculated at 10% of the raw remaining construction cost estimate.

Staff requested the Board increase the prior approved Gray & Osborne design and construction services budget total to a not-to-exceed value of \$134,487.00. In addition, the Board, by separate motion, was asked to authorize staff to advertise the Master Meter No. 10 project and solicit construction bids. Following discussion, by motion passed unanimously, the Board of Commissioners approved Gray & Osborne's design and construction budget total not-to-exceed value of \$134,487.00 and authorized staff to advertise the Master Meter No. 10 project to solicit construction bids.

c.) **PWTF 2016 Biennium Application & Draft Resolution**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the Public Works Trust Fund (PWTF) 2016 Biennium Application and Draft resolution, for their review. The District previously submitted to the PWTF an application for a loan to be used for participation in the City of Everett WPCF Improvements. The application was a joint effort with the City of Everett with the District piggy-backing on their application to the PWTF in the 2013-14 cycle, as a regionally beneficial project and the loan application was forwarded to the State Legislature for approval of funding. The Legislature did not fund any PWTF Loans for that biennium.

The Legislature authorized the PWTF to again solicit loan applications for the 2016 biennium, and in this authorization identified that any recommended project put forward by the PWTF for funding in the 2013-14 cycle was eligible to resubmit. The new loan cycle has a limited amount of funding identified and the loan applications are not to exceed \$7 million dollars per applying entity. Interest rates could be as high as 2.5%.

The District, with Board approval, investigated proceeding in cooperation with the City of Everett to coordinate applications for funding of the City's WPCF Improvements, in hopes of receiving additional consideration through the regional benefits of this project. The City of Everett and the District have agreed to coordinate separate applications. Staff asked the Board for direction to proceed with preparation of the application and to respond to requests received in the loan application process. A criterion for submittal is the confirmation of a commitment by the elected officials of the submitting agency to adjust rates as necessary for guarantee of loan and debt service payback, should a loan be offered and accepted.

Staff requested the Board of Commissioners review and approve the Draft resolution and proceed with the 2016 PWTF Loan Application process. Following discussion, by motion

made unanimously, the Board of Commissioners approved and executed Resolution No. 702 providing for maintaining adequate revenue to meet debt service repayment schedules for any and all debt, during the term of any Public Works Board 2016 Construction loans.

5.) MAINTENANCE AND OPERATION REPORT(S)

a.) All Staff BBQ-May 23, 2014

Mr. Curran reported to the Board of Commissioners that on Friday, May 23, 2014, before the Memorial Day Holiday, District staff will have a BBQ beginning at noon. Staff would like for Commissioners to attend if possible.

6.) INTER-AGENCY REPORT(S)

a.) Mill Creek Franchise-Effective Date April 24, 2014

Mr. Curran reported to the Board of Commissioners on the Mill Creek Franchise Agreement that was accepted and put into effect April 24, 2014.

b.) Meeting to Explore Sewer Flow Transfer to Metro

Mr. Curran reported to the Board of Commissioners on a meeting held at the District May 7, 2014 with Metro representatives, for the discussion of sewer flow treatment service. The Commissioners expressed interest in sharing in the expense of a study to investigate cost of diverting Everett sewer basin flow to Metro. The study is estimated to cost \$50,000.00 with each agency paying half.

7.) STAFF REPORTS

a.) District Engineer:

No Further Report.

b.) Finance Manager:

Mr. Nelson reported to the Board of Commissioners on District staff attendance and participation in the WCIA sponsored Swerve Training. It is an all-day course on accident avoidance and safe driving.

c.) Attorney:

No Further Report.

d.) General Manager:

Mr. Curran reported to the Board of Commissioners that Mr. Curt Brees has been appointed to the position of General Manager of the Cross Valley Water District. Mr. Brees has been the Public Works Director for the City of Mountlake Terrace.

Mr. Curran reported to the Board that WCIA has now obtained and extended Cyber Liability Insurance to all its members, including the District.

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 long term contract with the City of Everett. 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 6:05 p.m., Commissioner Backstrom advised that the Executive Session would be concluded at 6:20 p.m. The Executive Session concluded at 6:20 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 May 8, 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 May 8, 2014 regular meeting of Commissioners, duly adopted at a special meeting of the Board of Commissioners of the District, held at the regular meeting place thereof on May 21, 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 21st day of May 2014.

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



Rod Keppler, Secretary