

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

May 21, 2014

The special meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on May 21, 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; David Hoagland with Hellam Varon, and John Milne with Inslee, Best, Doezie, & Ryder P.S., Attorney for the District. The purpose of the meeting was to consider all business that may come before the Board.

- 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 May 8, 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	.05-031-.05-066	\$78,202.05
Sewer Maintenance	743 5418666	.05-009-.05-022	72,750.53
Sewer Capital Improve.	743 5448666	.05-002-.05-004	176,306.07
Water Capital Improve.	743 5468666	.05-003-.05-004	25,650.21
Revolving Check Fund		3411 - 3436	5,584.72
Total Warrants			\$358,493.58

b.) **Staff Report-2013 Financial Statements**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report and 2013 Financial Statements with accompanying information for the years ended December 31, 2013 and 2012 and the Accountant's Review report, for their review.

c.) **WCIA Follow-up Letter for the 2014 Annual Review and Audit**

Mr. Curran presented a verbal summary to the Board of Commissioners of a letter received from WCIA regarding the 2014 Annual Review & Audit, for their review. The Audit was held at the District office on April 29, 2014. Mr. Chip McKenna with WCIA conducted a review of the District's Fleet Management practices and provided District staff with other information as part of the review. To meet the 2014 COMPACT training requirements, some District employees needed to complete a Defensive driving course.

Two groups attended SWERVE training; one group on May 5th and a second group on May 14th, completing the 2014 COMPACT training requirement needed by the District. This year District staff will develop written Fleet policies and present these to the Commissioners for their consideration.

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 regarding the Reservoir No. 2 Improvements project, for their review. The Prime contractor, Long Painting, is continuing sand blasting to remove the remaining original internal coating system located on the ceiling of the tank. Simultaneously, CBI is operating on the tank exterior and installing the gutter system and the support brackets for the placement of stairs and catwalks. The Contractor has elected to perform the exterior preparatory welding work with the containment shroud still in place. They now intend to use the shroud to allow spray application of the exterior coating system.

b.) Master Meter No. 10 Project

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the AWWD Intertie-Master Meter No. 10 project, for their review. The District approved scopes of services and design and construction management of the Alderwood Intertie first connection of Master Meter No. 10. The estimated cost for this work was presented and design work initiated. The Board, at their May 8th meeting, approved an increase in the Gray & Osborne construction management not-to-exceed contract for services, to a value of \$134,487.00 and authorized staff to advertise the work in the Everett Herald and Seattle DJC, and to solicit bids using Builders Exchange of Washington service website. The project has been advertised for a bid opening on June 3rd, at 2:00 p.m.

c.) DEA-Mayfield Estates (Change of Developer)

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding a Developer Extension Agreement (DEA) and Project Site map for the plat of Mayfield Estates. This project is located east of and along Seattle Hill Road, near 139th Street SE, and will be accessed off of 141st Street SE when the proposed roads are constructed. The project is a water and sewer extension project that will serve 44 single family lots of the Mayfield Estates subdivision. The DEA was accepted by the Board in January 2014 as a project by KLN Construction. The project has been sold to a new developer, SSHI, LLC dba D.R. Horton. Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed the DEA with SSHI, LLC for the plat Mayfield Estates.

5.) INTER-AGENCY REPORT(S)

a.) District Dispute of Everett Wholesale Sewer Rate

Mr. Curran presented a verbal summary to the Board of Commissioners of a letter he provided to Mr. Dave Davis, Everett's Public Works Director, notifying him that the District was paying the 2014 Sewer Rate increase under protest and requesting Everett and the District toll the operation of the 1982 Sewer Agreement which would start a binding

arbitration process to resolve the disagreement over the sewer rate increase to allow more informal discussions about this rate increase.

6.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore reported on District submittal of a Public Works Trust Fund Application to borrow money from the Fund to pay some of the District's share of improvements to Everett's WPCF. A preliminary selection of applications by the PWTF Board is expected in August 2014.

b.) Finance Manager:

Mr. Nelson reported on the receipt by the District of a Proposal from Columbia Bank to undertake the District's banking services. District staff will review the proposal and decide whether to interview the bank representatives.

c.) Attorney:

Mr. Milne reported on the Washington State Court of Appeals Division III decision determining the City of Wenatchee had the authority to impose a utility tax on the revenues received by the Chelan County PUD from PUD utility customers located within the city.

d.) General Manager:

Mr. Curran reminded the Commissioners that each was invited to attend the District staff barbeque starting at noon on Friday, May 23, 2014.

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 property owned by the District. 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 5:55 p.m., Commissioner Backstrom advised the Executive Session would be concluded at 6:15 p.m. The Executive Session concluded at 6:15 p.m. and the open public meeting reconvened.

By motion passed unanimously the Commissioners authorized Mr. Curran to direct Mr. Aramburu to work with District staff to determine possible methods to address impacts of a drainage swale on certain District property.

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

This ends the Minutes of the May 21, 2014 special 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 21, 2014 special 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 June 12, 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 12th day of June 2014.

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



Rod Keppler, Secretary