

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

June 26, 2014

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on June 26, 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 June 12, 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	.06-048-.06-075	\$144,526.04
Sewer Maintenance	743 5418666	.06-018-.06-027	33,725.34
Sewer Capital Improve.	743 5448666	.06-003-.06-003	24,002.40
Water Capital Improve.	743 5468666	.06-010-.06-010	104.74
Revolving Check Fund		3460 - 3489	42,720.36
<b>Total Warrants</b>			<b>\$245,078.88</b>

b.) **Staff Report-Local Government Investment Pool (LGIP) Prospectus & Resolution**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report, Draft resolution, and Local Government Investment Pool (LGIP) Prospectus, for their review. The Washington State Treasurer is requiring all LGIP participants adopt a new resolution which recognizes the new Prospectus and requires the appointment of an authorized District representative. The Board of Commissioners, authorized representative, and other employees authorized to conduct investment transactions and/or receive account information are required to read, review, and understand the Prospectus. The Prospectus has been provided to Mr. Curran (General Manager), Mr. Nelson (Finance Manager), Ms. Barringer (Office staff), and was provided to the Board of Commissioners at this meeting for their review. Staff recommended Mr. Curran be appointed to continue as the District's authorized representative to the LGIP, and Mr. Nelson and Ms. Barringer to continue to perform LGIP investment transactions and/or receive account information.

Resolution No. 703 would retain the District's interim investment policy requirement that monthly bank reconciliations of cash and investments be reviewed by a second employee (Ms. Eastman), quarterly review of authorized public depositories, and quarterly financial reporting to the Board of Commissioners.

Following discussion, by motion passed unanimously, the Board of Commissioners appointed Mr. Curran to continue as the District's authorized representative to the LGIP; and Mr. Nelson and Ms. Barringer are delegated to continue to perform LGIP investment transactions and to receive account information. The Board of Commissioners then adopted Resolution No. 703 authorizing the investment of District monies into the State of Washington LGIP, establishing an interim investment policy of the District, and repealing Resolution No. 697.

#### **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 of the Reservoir No. 2 Improvement project, for their review. The Contractor is now in control of the Reservoir structure and will return the Reservoir to the District for operation when the structural and access improvements have been made and the interior coating system is in place and tested. Some work on electrical and telemetry elements and the exterior mural work necessary for the project acceptance may continue after the District's operational control has been returned. The inside and outside surfaces of the tank have the prime coat system installed. CBI has remobilized to the tank to work on the installation of the stairs, gutters, downspouts, catwalks and the roof hatch and vent modifications. The painting crews will be working on the inside of the tank coating applications, and will move to the exterior following the conclusion of CBI's grating stairs and catwalk installation work.

##### **b.) AWWD Intertie-Master Meter No. 10**

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. This project was advertised in the Everett Herald and Seattle Daily Journal of Commerce newspapers for Bid opening on June 3<sup>rd</sup>, 2014. The Board had awarded the project contract and directed staff to proceed with finalization of contract documents with Taylor's Excavators, Inc. The contracts have been delivered to Taylor's Excavators, Inc. and it was requested they submit them to the District for execution, with the insurance and bonding documents, when compiled.

##### **c.) Decant Facilities Improvements**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the Decant Facilities Improvements project, for their review. The District installed the Decant Facilities pad as part of the new District Headquarters project. The facilities provide a covered spoils processing area to separate (decant) water from the soft dig events when using the Vactor truck. The discharge from the original process configuration routed the silt laden liquid to pass through the District's on-site storm water systems to the detention vault in the south parking lot. The detention vault provides a

place to allow settling and storage of the suspended solids, but has proven to be difficult to monitor and is a manpower intensive effort when the stored solids are periodically removed.

In working with the County, the District received approval for installation of a decant vault adjacent to the decant pad. The new improvements will intercept the silty decant discharge prior to its entry into the District's storm system to allow easy monitoring of accumulated solids and improve cleaning access. The contracts for this work have been signed and the District's Pre-construction meeting with McClure and Sons, Inc. was held on June 24<sup>th</sup>, 2014.

**d.) Developer Extension Agreement**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and vicinity map regarding the Canton Park South Developer Extension agreement, for their review. This project is located north of 180<sup>th</sup> Street SE and west of Sunset Road, adjacent to the north border of Sommerwood and the east border of Tambark Creek Community Park. It is a water and sewer extension project that will serve a 40 lot subdivision. This plat was originally submitted to the Board last September as the plat of Yorkshire 1 & 2 with KLN being the Developer. The new Developer is Lennar Northwest, Inc. Following discussion, by motion passed unanimously, the Board of Commissioners accepted and approved the Canton Park South DEA with Lennar Northwest, Inc.

**5.) MAINTENANCE AND OPERATION REPORT(S)**

**a.) Letter-Board of Registration for WA State (Land Surveyors)**

Mr. Curran presented a verbal summary to the Board of Commissioners of a letter he emailed to Mr. George Twiss OLS, Executive Director for the Board of Registration for Washington State's Board of Engineers and Land Surveyors, regarding the District's concerns with proposed WAC 196-29-105 and 110 for their review. He reported on a response from the Board of Registration advising that for WAC 196-29-110 the Board approved the rule proposal. For WAC's 196-29-105 and 205, the Board voted to postpone action and proceed with additional outreach with affected stakeholders as soon as possible.

**b.) Gray & Osborne-Proposal & Contract for Professional Engineering Services**

Mr. Curran presented a verbal summary to the Board of Commissioners of the Proposal and Contract for Professional Engineering Services with the firm of Gray & Osborne, Inc. the Board has reviewed. Following discussion, by motion passed unanimously, the Board of Commissioners approved the Contract and directed Mr. Curran to execute two original copies of the Proposal and Contract for Professional Engineering Services with Gray and Osborne, Inc., and to provide one fully executed original contract to Mr. Eric Delfel for Gray and Osborne, Inc. records.

**6.) INTER-AGENCY REPORT(S)**

**a.) Everett Water Supply Report**

Mr. Curran presented a verbal summary to the Board of Commissioners of the Everett Water Supply report, for their review.

**7.) STAFF REPORTS**

**a.) District Engineer:**

No Further Report.

**b.) Finance Manager:**

Mr. Nelson updated the Commissioners on the pending Arbitrage Report on the 2010 Bond Issue.

Mr. Nelson advised the Board on the status of the discussions with Columbia Bank to provide banking services to the District.

Mr. Nelson reported on the District filing liens on property against District customers delinquent on their utility accounts.

**c.) Attorney:**

No Further Report.

**d.) General Manager:**

Mr. Curran reminded the Commissioners on Mr. Gary Hajek's Retirement function at Cross Valley Water District on Friday afternoon.

Following discussion, by motion passed unanimously, the Board of Commissioners set a Special meeting on Wednesday, July 9, 2014, at 5:30 p.m., at the District Headquarter site to discuss all matters of the District. The Board of Commissioner's canceled the Regular meeting of Thursday, July 10, 2014, at 5:30 p.m.

Mr. Curran reported on District staff's process to select a new Utility Maintenance Worker 1.

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, and 42.30.110 (1) (i) regarding two claims filed against the District involving sewer blockage. 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 pm., Commissioner Backstrom advised that 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.

Following discussion, by motion passed unanimously, the Board of Commissioners adopted Resolution No. 704 authorizing staff to proceed with offering property at 148<sup>th</sup> Street and 41<sup>st</sup> Avenue SE for sale in accordance with the surplus property statutory procedures with a minimum bid price of \$550,000.00.

Following discussion, by motion passed unanimously, the Board of Commissioners authorized and directed Mr. Curran to negotiate settlement of the Garnett claim and the Russo claim.

Following discussion, by motion passed unanimously, the Board of Commissioners approved a "tolling agreement" with the City of Everett related to an issue regarding the sewer rate the City charges the District pursuant to the agreement for sewage disposal between the City and the District, and authorized the General Manager to sign the Tolling agreement on the District's behalf.

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

**This ends the Minutes of the June 26, 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 June 26, 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 July 9, 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 9<sup>th</sup> day of July 2014.

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

  
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Rod Keppler, Secretary