

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

September 11, 2014

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on September 11, 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 August 28, 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	.09-001-.09-036	\$58,505.75
Sewer Maintenance	743 5418666	.09-001-.09-009	608,512.02
Sewer Capital Improve.	743 5448666	.09-001-.09-001	4,960.35
Water Capital Improve.	743 5468666	.09-001-.09-003	285,631.34
Revolving Check Fund		3580 - 3596	38,414.69
Total Warrants			\$996,024.15

b.) MRSC Rosters Contract

Mr. Curran presented a verbal summary to the Board of Commissioners of the MRSC Rosters Contract received and notification that MRSC Rosters is launching a new more intuitive database for users in December of 2014, for their review. Mr. Curran reported that the Rosters Contract provided by MRSC had a number of typos and two sections that duplicate each other. He advised he would discuss these clarifications with MRSC and try to make the changes and would request the Board to authorize him to sign a Rosters Contract with the changes. Following discussion, by motion passed unanimously, the Board of Commissioners approved the MRSC Rosters Contract as updated and directed the General Manager to execute the updated MRSC Rosters Contract and authorized staff to pay the Membership fee of \$120.00.

c.) Draft Financial Management Policies & Internal Control Review Schedule

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report and Draft Financial Policies/Internal Control Schedule, for their review. Changes the District has made (separated treasury services from Snohomish County to become its own treasurer, issued its own payroll and accounts payable checks, opened a direct account with the Washington State Treasurer's Local Government Investment Pool (LGIP), and moved its previous investments with LGIP under Snohomish County to the Districts account) have required changes to the District's financial operation and policies. Staff recommended the District's CPA Firm, Hellam Varon, review the modified financial operations/policies and provide any suggestions to improve or address internal controls to the District. Mr. David Hoagland will begin this work the week of September 29th, 2014. It will take approximately 24-hours to complete this work, at a cost of \$6,690.00. Mr. Hoagland's report will be provided to the Board of Commissioners at a future Board meeting.

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 Progress Payment Request No. 6 regarding the Reservoir No. 2 Improvements project, for their review. The existing above grade electrical and building have been painted to match the new reservoir colors, the mural application is complete, the disinfection and successful passing of purity tests have been achieved, and the Reservoir is back online. The Contractor has completed all finish coats and minor punch list items.

Gray and Osborne previously informed the District of the inspection time required by the quality control paint inspection work performed by QCIC, exceeded their original estimate for these services. The special inspection was required during the hot weather to monitor environmental conditions through the paint applications. The hot weather allowed limited periods of the day that work could be performed and QCIC additional time was warranted. Gray and Osborne determined that their construction management costs approved for this project were exceeded, due to the additional warranted inspection by QCIC, and they will present a formal request for approval of the QCIC costs, above the previously approved Gray & Osborne contract limits for construction management, for this project.

Staff requested the Board review and if acceptable, approve Final Progress Payment Request No. 6, and direct staff to process a payment to Long Painting Company. Staff also requested the Board accept the Reservoir No. 2 Improvement Project as complete and direct staff to begin the State project closeout procedures for their approval of release of Retainage bond. Following discussion, by motion passed unanimously, the Board of Commissioners approved Final Progress Payment No. 6 and directed staff to process a payment in the amount of \$145,604.26 to Long Painting Company; and accepted the Reservoir No. 2 Improvement Project as complete and directed staff to begin the State project closeout procedures to release the Retainage bond.

b.) Master Meter No. 10

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and Gray & Osborne Progress Payment Request No. 2 and recommendation for payment reflecting completed work through September 4th, 2014, regarding the AWWD Intertie-Master Meter No. 10 project, for their review. The mainline pipe is installed including the tie of the new 12-inch supply line to the meter vault. The existing AWWD Distribution mains crossed by the 12-inch main on the AWWD side of the Master Meter have been connected and are operational. All paved surface restoration over the mainline within the Library Parking lot; from the Master Meter Vault area east to Mill Creek Blvd., is complete.

The 12-inch main, serving only to the new Master Meter No. 10, is isolated from the AWWD Distribution mains and will remain isolated until the project is accepted.

Staff requested the Board of Commissioners review and if acceptable, approve Progress Payment Request No. 2 and direct staff to process the payment to Taylor's Excavators, Inc. Following discussion, by motion passed unanimously, the Board of Commissioners approved Progress Payment Request No. 2 and directed staff to process a payment in the amount of \$136,720.18 to Taylor's Excavators, Inc.

c.) Decant Facility Report

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the Decant Facility Improvements project, for their review. MSI has initiated construction of the vault installation. They have mobilized on-site and established their silt containment fencing. Work sequencing identified by MSI is to strip the asphalt surface above the tank installation location and excavate the vault pit. This work should be complete in advance of the delivery of the vaults to the site, allowing straight transfer of the vaults from the delivery trucks directly to the excavated vault pit. Vault on-site delivery is anticipated for Thursday, September 11th, 2014.

5.) MAINTENANCE & OPERATIONS

a.) 2014 Leak Detection Survey Report

Mr. Curran presented a verbal summary to the Board of Commissioners of a Staff report regarding 2014 Leak Detection, for their review. As part of the Water Use Efficiency Rules compliance, the District annually conducts a leak survey of a representative portion of the District's system. The goal for the 2014 survey was to inspect 30 miles of water pipeline and services. This year's survey included Fir Grove, Silver Acres, and Silver Lake Terrace. Mr. Geoff Ashworth, Utility Service Associates, LLC, conducted the survey beginning July 17th, 2014, and leak detection concluded July 25th, 2014. A total of five leaks were found; two leaky Fire Hydrants, one Blow-off Valve, and two Service Line leaks were found and corrected. No Mainline water leaks were detected. This compares to nine leaks found in 2008 for a similar survey area. According to the survey, staff estimated that the leak loss from January 1, 2014, until the leaks were repaired in early August 2014, totaled 2,289,600 gallons; 3,942,000 gallons were projected if the repairs were not made; and there was 1,652,400 gallons of net water savings due to the leak repairs.

6.) INTER-AGENCY REPORT(S)

a.) AWWD Plaque Presentation to Representative Stanford

Mr. Curran presented a verbal summary to the Board of Commissioners of an email and photo of a plaque received from Mr. Patrick Sorensen regarding recommendations from the WASWD Board to present an award to certain State Legislators for their assistance to the Association. A plaque will be presented to Representative Derek Stanford who serves District #1 and represents Alderwood, Cross Valley, Northshore, and Silver Lake. Anyone that wishes to have the opportunity to meet Representative Stanford can do so by attending the Alderwood Water and Wastewater Board Meeting dated Monday, September 22, 2014.

7.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Developer Extension Agreement for the plat of Lexington Park, for their review. This plat is located north of 169th at 38th Place SE. This DE was previously accepted by the District and had a change in ownership. The new Developer is Lexington Park at Mill Creek, LLC.

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

b.) Finance Manager:

No Further Report.

c.) Attorney:

Mr. Milne reported on the City of Shoreline process to assume the North City Water District.

d.) General Manager:

No Further Report.

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 6:00 p.m., Commissioner Backstrom advised that the Executive Session would be concluded at 6:10 p.m. The Executive Session concluded at 6:10 p.m. and the open public meeting reconvened.

Following discussion of various matters, the Commissioners authorized and directed the General Manager to proceed with a preliminary wetland investigation of the District property located at the corner of 148th St. SE and 41st Ave. SE in Snohomish County.

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

This ends the Minutes of the September 11, 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 September 11, 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 September 25, 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 25th day of September 2014.

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



Rod Kepler, Secretary