

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

October 23, 2014

The special meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on October 23, 2014, beginning at 3:00 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. 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 3:00 p.m.
- 2.) **APPROVAL OF MINUTES:** The Minutes of the regular meeting of October 9, 2014 were approved by Commissioners present for that meeting 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	.10-042-.10-084	\$237,993.82
Sewer Maintenance	743 5418666	.10-010-.10-014	21,748.99
Water Capital Improve.	743 5468666	.10-004-.10-004	430.97
Revolving Check Fund		3631- 3653	36,030.95
Total Warrants			\$296,204.73

b.) **Third Quarter Financial Report-September 30, 2014**

Mr. Nelson provided a verbal summary to the Board of Commissioners of a Staff report regarding Third Quarter Financial Reports-September 30, 2014, with attached Capital Project Summary Reports, for their review.

c.) **2015 Equipment Replacement Assumptions**

Mr. Nelson provided a verbal summary to the Board of Commissioners of a Staff report and Tables outlining 2015 Equipment Replacement Assumptions, for their review. For 2015, staff recommended replacing the 1996 F-450 Flatbed Dump Truck (#18) with an upgraded 2015 F-550 Flatbed Dump Truck, at an expected cost of \$65,000.00, to be assigned to the District's vehicle pool; replacing the 1999 Ford Explorer (#22) with a 2014 Ford Escape, at an expected cost of \$27,000.00, to be assigned to the General Manager, with the 2007 Escape (#36) to then be assigned to the District's vehicle pool to serve in the role of the 1999 Explorer. The District has an opportunity to purchase a 2014

Ford Escape under the state contract currently in dealership inventory, and staff recommended the Board approve this purchase. The 1999 Ford Explorer would be sold in auction.

Staff recommended replacing the 2000 Ford RC Pickup (#23) with an upgraded Ford F-550 for an estimated cost of \$82,000.00. This vehicle would be assigned to the District's Station crew. Staff has requested this vehicle be equipped with a Lift Crane that would be large enough to move lift station pumps and motors. The Ford RC Pickup (#23) will be sold for salvage; the District received \$4,496.05 from the insurance company.

Staff recommended replacing the 2008 Trackhoe (#40) with the next larger size 2015 Trackhoe for crew to more easily install and remove trench shoring. The purchase price is expected to be \$82,000.00 but the vendor has offered \$40,000.00 in trade-in value for the 2008 Trackhoe (#40). Before accepting the trade-in value, staff recommended advertising the 2008 Trackhoe (#40) through WASWD and AWC to see if another public agency is interested in purchasing the unit at a better price (the District would have to include one of the digging buckets with the unit).

Finally, staff recommended the purchase of a Handheld Valve Exerciser for a cost of \$10,435.00. This is a new piece of equipment not previously on the Equipment Replacement Schedule. It is a hydraulically powered unit that will allow staff to open larger valves more easily. Staff is requesting this unit due to larger valves on new master meters and transmission water mains. It will reduce the scope of flagging operations while exercising large valves in arterials, resulting in more efficient staff operations.

Following discussion, by motion passed unanimously, the Board of Commissioners approved the purchase of the Ford F-550 Flatbed Dump Truck (\$65,000), 2014 Ford Escape (\$27,000), Ford F-550 RC Pickup & Lift Crane (\$84,000), Trackhoe (Size 60) Larger Unit (\$82,000), and the new Handheld Valve Exerciser (\$10,435), totaling \$268,435.00.

The Board advised staff to proceed with the procurement of the 2014 Ford Escape (#36) through the state contract, and to advertise the sale of the 2008 Trackhoe (#40) with WASWD and AWC. Following the purchase of the 2014 Ford Escape, the Board approved the 1999 Ford Explorer (#22) to be sold at auction, and for the 2000 Ford RC Pickup (#23) to be sold for salvage, in accordance with the surplus property procedures applicable to the District.

4.) CAPITAL IMPROVEMENT PROJECT(S)

a.) AWWD Intertie-Master Meter No. 10

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the Alderwood Water & Wastewater District (AWWD) Intertie-Master Meter No. 10 project, for their review. The designed underground facilities have all been installed. The District and Contractor have identified and agreed on the cost necessary to install an additional meter vault that when installed, will allow the Contractor to complete the additional below grade work on this project, to be followed by pavement restoration.

The manhole and meter revision is part of the change order to install a separate SLWSD meter with the standard HART protocol that allows continuous read of the meter through the District's telemetry system. Cost for the District's meter manhole modifications have been estimated at \$17,232.40 by Taylor's Excavators and will be included in the change order work request to the Board for this project when finalized.

b.) Decant Facility Report

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the Decant Facility project, for their review. MSI has installed all of the identified improvements for this project. Remaining work items scheduled for completion this week, weather depending, are the extruded curb along the outside perimeter of the pavement and the placement of the hydro seeding to restore the disturbed grass slope surface of the adjacent storm water pond bank. These two remaining items, when complete, will allow closeout of the project.

c.) Reservoir No. 2 Improvements-Amendment to Gray & Osborne Contract

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and attached Gray & Osborne Construction Contract Amendment, QCIC Construction Management Invoice Summary, and a Project Progress sheet, regarding Reservoir No. 2 Improvements project, for their review. Gray & Osborne previously informed the District that the inspection time required by the quality control paint inspection work performed by QCIC had exceeded their original estimate for these series. The District recognized the need for the specialty inspection and directed Gray & Osborne to perform the work. The additional manpower of the sub-contracted specialty inspection exceeded the Gray & Osborne estimate for this work element by over \$37,000.00.

Gray & Osborne has presented their formal request for an amendment to increase the not-to-exceed ceiling limit of their Contract for providing Construction Management Services on this project. Gray & Osborne requested an increase in their Contract for Services of \$14,000.00. Staff requested the Board review, and if acceptable, approve an amendment to increase the contract limit by \$14,000.00, raising the allowed cost for Gray & Osborne for Construction Management Services on the Reservoir No. 2 Improvements project to \$141,700.00.

Following discussion, by motion passed unanimously, the Board of Commissioners approved the amendment to increase the contract limit by \$14,000.00, raising the allowed cost for Gray & Osborne for Construction Management Services for the Reservoir No. 2 Improvements project to \$141,700.00.

d.) Third Quarter-2014 Bills of Sale Presentation

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report listing the accepted Third Quarter-2014 Bills of Sale, for Developer Extensions, representing \$27,061.90 of utility infrastructure added to the District by Developer contribution, for their review. Following discussion, the Board of Commissioners acknowledged acceptance of the Bills of Sale for:

PROJECT NAME	WATER	SEWER
3RD QUARTER		
Tanison Meadows BLA		\$27,061.90
TOTAL VALUE		\$27,061.90

5.) STAFF REPORTS

a.) District Engineer:

No Report.

b.) Finance Manager:

Mr. Nelson reported on customer interaction with staff on Shut-off day. He also reported on the successful efforts by attorneys for the District to protect its lien on property going through bankruptcy process, with sale of the property as a remedy for the mortgagor's debt collection.

c.) Attorney:

No Report.

d.) General Manager:

Mr. Curran reported on the King County Water Division Study regarding the capital costs to develop sewer facilities for diversion of a portion of District customers' sewer flows to Brightwater. He and Mr. Gilmore are scheduled to meet with King County representatives on Wednesday, October 29th to discuss this Study.

Mr. Curran outlined the preliminary results of the study of the health insurance market. Following discussion, by motion passed unanimously, the Board of Commissioners directed staff to follow-up with Premera Blue Cross concerning its health insurance for 2015. Staff indicated they would continue discussions with Mr. Lou Baransky, a consultant advising the District regarding the matter.

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 3:45 p.m., Commissioner Backstrom advised that the Executive Session would be concluded at 4:02 p.m. The Executive Session concluded at 4:02 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 October 23, 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 October 23, 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 November 13, 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 13th day of November 2014.

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



Rod Kepler, Secretary