

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

November 13, 2014

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on November 13, 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 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 special meeting of October 23, 2014 were unanimously approved as circulated.
- 3.) **FINANCIAL MATTERS:**

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

Following discussion of various matters, including Mr. Nelson reporting a clerical error entry of Claim Number 10-015 for each of three Payments to the City of Everett totaling \$442,063.98 from the Sewer Maintenance Fund which would not frustrate the accurate and timely payments of these obligations, payroll, vouchers, and revolving fund checks were unanimously approved and signed as follows:

Fund	Code	Number	Amount
Water Maintenance	743 5408666	.11-001-.11-057	\$68,720.28
Sewer Maintenance	743 5418666	.10-015-.11-016	634,335.52
Sewer Capital Improve.	743 5448666	.11-001-.11-004	461,945.43
Water Capital Improve.	743 5468666	.11-001-.11-002	85,615.46
Revolving Check Fund		3654 - 3679	51,124.81
Total Warrants			\$1,301,741.50

b.) **AWWD 2015 Wholesale Sewer Rate**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a letter received from Alderwood Water and Wastewater District regarding AWWD/Silver Lake Agreement Sewage Disposal Rates, for their review. The revised SLWSD 2015 rate computes to \$44.73 per single-family equivalent per month. AWWD's single-family sewer rate will remain as \$54.00, and the King County 2015 Wholesale rate is \$42.03. The new rate will be effective January 1, 2015.

AWWD Single-family Rate \$54.00 x 5%	\$2.70
Plus King County Residential Equivalent Rate	42.03
Total	\$44.73

c.) Columbia Bank Proposal

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report and attached Comprehensive Proposal for Banking Services from Columbia Bank, for their review. In 2013, the District mailed Request for Proposals to ten local financial institutions per the Boards prior approval on January 10, 2013. District staff reviewed several of the proposals and couldn't find a bank that met the District needs. In 2014, the District expanded their search by directly contacting banks and meeting on several occasions with Key Bank. Challenges arose with Key Bank when their check scanning product failed to meet Districts expectations and their Lock Box arrangement was significantly higher than the verbal price they gave.

The Board had directed staff to review other Lock Box service providers' service rates, and staff reported this information to them on April 10, 2014; and found that AFTS is the lowest cost service provider for the Lock Box service.

Since the April 10, 2014 meeting, staff has met with Columbia Bank several times to review their services and charges. Their check scanning product meets the District's needs and their online security, when utilized with a security token, is acceptable as well. Staff requested Columbia Bank and AFTS confirm their ability to transmit Lock Box Check Deposits electronically, which would avoid the daily courier fee; which they did confirm in September. Columbia Bank's proposal will provide banking services at a lower cost than Opus Bank. Staff requested the Board of Commissioners authorize the General Manager to negotiate and sign a Banking Service Agreement with Columbia Bank if it continues to meet the District's needs, and once a banking change has been made, staff will continue to review Lock Box services and report a recommendation to the Board in 2015.

Following discussion, by motion passed unanimously, the Board of Commissioners authorized the General Manager to negotiate and sign a Banking Service Agreement with Columbia Bank if they continue to meet the needs of the District, and requested that staff continue to review Lock Box services and report on a recommendation to them in 2015.

d.) 2015 Capital Project Report

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding 2015 Capital Projects which outlined each of the District's current capital projects, the current project status, the project's budget, and the next two years forecasted capital project costs, for their review.

e.) 2015 Contracted Service Rate Forecast

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding 2015 Contracted Service Rates-Water and Sewer, outlining historic and forecasted rate increases, for their review.

4.) OPERATIONAL MATTERS

a.) Reschedule November 27th, 2014 Commissioner Meeting

By motion passed unanimously, the Board of Commissioners determined to cancel the regular meeting of November 27th, 2014, which is Thanksgiving Day, and to schedule a special meeting of the Board of Commissioners on Tuesday, November 25th, 2014, at 5:30 p.m.

b.) Reschedule December 25, 2014 Commissioner Meeting

By motion passed unanimously, the Board of Commissioners determined to cancel the regular meeting of December 25th, 2014, which is Christmas Day, and to schedule a special meeting of the Board of Commissioners on Tuesday, December 23, 2014, at 5:30 p.m.

c.) 2015 Health Insurance – 10-day Open Enrollment

Mr. Curran presented a verbal summary to the Board of Commissioners of a memo outlining the District's Medical, Dental, Vision, Life, AD&D, and Long-Term Disability plans the District is offering for 2015. Following discussion of various matters, by motion passed unanimously, the Board of Commissioners adopted Resolution 707 Authorizing the Establishment of the Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association ("HRA VEBA") Plans and Providing for Payment of Health Insurance Premiums for Full-time Employees and Commissioners of the District and Repealing Resolution No. 698.

d.) Page & Beard Report on Site Improvements

Mr. Curran presented a verbal summary to the Board of Commissioners of a report received from Page & Beard regarding District Site Improvements, for their review. This report outlines the Architects Proposal for Professional Services (Programming Needs, Analysis, Master Plan, Schematic Design, and Conditional Use Permit). The Board of Commissioners directed Mr. Curran to pursue a Proposal for Professional Services from Page & Beard for a needs assessment and design of "Building A" and access road "J."

5.) CAPITAL IMPROVEMENT PROJECT(S)

a.) AWWD Intertie-Master Meter No. 10

Mr. Delfel presented a verbal summary to the Board of Commissioners of a Staff report with attached Change Order No. 1, and Gray & Osborne's Progress Estimate No. 3, regarding the Alderwood Water & Wastewater District (AWWD) Intertie-Master Meter No. 10 project, for their review. The site concrete slab work is completed and the Electrical Control Rack is installed and panel installation and wire stringing has begun.

Gray & Osborne's recommendation for payment and Progress Payment Request No. 3 reflects completed work through October 31st, 2014. The payment request includes the withholding of retainage funds equal to 5% of the work performed to date.

Staff requested the Board of Commissioners review Change Order No. 1, and if acceptable, direct the General Manager to execute Change Order No. 1 which includes payment for the District's meter and vault installation, field resolution of conflict with unknown storm system, and other vault modifications necessitated by a high ground

water table. Further, staff requested the Board review Progress Pay Estimate No. 3 and if in concurrence with Gray & Osborne's recommendation, pay this estimate in the amount of \$57,998.38 which is the full amount of work completed for this pay estimate, less 5% retainage.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Change Order No. 1 and authorized the General Manager to sign Change Order No. 1, and approved Progress Pay Estimate No. 3 and directed staff to issue a payment in the amount of \$57,998.38 to Taylor's Excavators, Inc.

b.) Decant Facility Report

Mr. Delfel 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 his project. The Contractor arranged for Hydro-seeding for erosion control and re-establishing the detention pond slope vegetation. The curb installation has now been installed. The single pay estimate for this project will be presented to the Board for payment approval at its next Board meeting. District crews are pleased with the improvements in operation during some trial decant events.

6.) INTER-AGENCY REPORT(S)

a.) AWWD Memo-Results of Volumetric Test at Clearview Pump Station

Mr. Curran presented a verbal summary to the Board of Commissioners of an Alderwood Water & Wastewater District memo regarding the results of a Volumetric Test at the Clearview Pump Station, for their review.

7.) STAFF REPORTS

a.) District Engineer:

No Report.

b.) Finance Manager:

Mr. Nelson advised the Commissioners regarding the performance of Opus Bank in its efforts to be the Service Bank for the District.

c.) Attorney:

No Report.

d.) General Manager:

Mr. Curran reported to the Board of Commissioners on the results of the Gray & Osborne King County Diversion Analysis cost for transferring District flows to King County, and informed the Board of a meeting of District staff and King County the first week of December.

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 5:55 p.m., Commissioner Backstrom announced that the Executive Session would be concluded at 6:30 p.m. The Executive Session concluded at 6:30 p.m. and the open public meeting reconvened.

After discussion of various matters, by motion passed unanimously, the Board of Commissioners authorized Mr. Curran to work with Mr. Milne to negotiate the District's purchase of property at 15321 41st Ave. SE adjacent to the District.

After discussion of various matters, by motion passed unanimously, the Board of Commissioners directed Mr. Curran to look further into the easement acquisition request by Crestview Village.

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

This ends the Minutes of the November 13, 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 November 13, 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 November 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 November 2014.

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



Rod Kepler, Secretary