

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

December 23, 2014

The special meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on December 23, 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. The purpose of the meeting was to consider all business that may come before the Board. The special meeting was in lieu of the regular Board meeting scheduled for Thursday, December 25th, 2014, which had been canceled.

- 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 December 11, 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	.12-050-.12-072	\$43,322.50
Sewer Maintenance	743 5418666	.12-016-.12-025	45,490.28
Sewer Capital Improve.	743 5448666	.12-004-.12-004	436.61
Water Capital Improve.	743 5468666	.12-004-.12-004	5,511.50
Revolving Check Fund		3712 - 3735	56,212.81
Total Warrants			\$150,973.70

b.) **Hellam Varon Internal Control of Financial Processes Report**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Hellam Varon Internal Control of Financial Processes report, for their review. The report summarized comments and suggestions they have for the District regarding the current internal processes for the following areas: Accounts Payable and New Vendor, Revolving Fund Checks, Payroll and New Employee, Permits Issued and New Accounts, Cash Receipts, and Investment Cash Management and Bank Reconciliation. Out of five integrated components (Control Environment, Risk Assessment, Control Activities, Information & Communication, Monitoring Activities), their analysis was focused only on the Control Activities element of this process. Overall, they noted a strong system of controls within the District and gave some suggestions for potential improvement in the processes they analyzed. Mr. Nelson advised new updated Financial

Policies will be written by District staff and presented to the Commissioners for their consideration, and approval.

c.) Consideration of Proposed Resolution No. 708

Following discussion of various matters, by motion approved unanimously, the Board of Commissioners adopted Resolution No. 708, approving 2015 employee salary tables.

d.) Motion to Provide Staff Salary Adjustments for 2015

Following discussion of various matters, Commissioner Backstrom moved to authorize the General Manager to provide salary adjustments, effective December 30, 2014, to individual District employees based on the Salary Range Table set forth in Resolution No. 708 and on performance, the overall local job market conditions, and the October 2014 Consumer Price Index as well as the 2015 District Health Insurance Plan. Commissioner Anderson seconded the motion. The motion passed unanimously.

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 site concrete slab work is completed and the electrical control rack is installed and panel installation and wire stringing completed.

The District received the Foxboro Meter originally scheduled to arrive in February 2015. Since this meter was not installed as expected on December 18th, the work will be rescheduled. Stringing wires and testing of the meter will be performed by District crews following acceptance of Taylors' Excavators work.

Change Order No. 2 was prepared and signed by Gray & Osborne. Staff requested the Board review Change Order No. 2 for the installation of removable bollards identified by the City of Mill Creek in the amount of \$4,350.00, and if acceptable direct the General Manager to execute the Change Order when signed by the Contractor.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Change Order No. 2 for the installation of removable bollards identified by the City of Mill Creek in the amount of \$4,350.00, and directed the General Manager to execute Change Order No. 2 when it has been signed by the Contractor.

b.) Developer Application Agreements

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding two Developer Extension Agreements with attached Site maps, for their review. Kingsbury is a proposed project that will extend water and sewer mains onsite to service 29 lots located at the northeast corner of the intersection of 148th Street SE and Seattle Hill Road SE. This project is being developed by Adafora (fka Spadafora) as an LLC, Kingsbury Partners, LLC.

ABC Sprinklers (ABC Learning Centers) is a proposed project to expand the water system in the Bartell's shopping complex. The former WS Liquor Store is proposing a learning center for education instruction for children. This DEA will provide for fire protection facilities to serve the building with a sprinkler system. The project is not expected to request an increase in domestic water or sewer service. The Developer is Pacific Centers, LLC VIII.

Following discussion, by motion passed unanimously, the Board approved the execution of the Developer Extension Agreements for the plat of Kingsbury and ABC Sprinklers (ABC Learning Centers).

5.) MAINTENANCE & OPERATIONS

a.) Table 9 Retrofit Status Report

Mr. Curran presented a verbal summary to the Board of Commissioners of a Table 9 Retrofit Status Report for their review. This report provided a listing of businesses that have been required to update their water services to meet the WAC 246-290-490 mandate for premises isolation under Table 9 in 2014, and listed businesses that will be contacted in early 2015 for the next round of compliance.

6.) INTER-AGENCY REPORTS

a.) Clearview-Everett Billing Meter Adjustment

Mr. Curran presented a verbal summary to the Board of Commissioners of an email between Mr. Jeff Clarke (AWWD) and Mr. Dave Davis (City of Everett), and a CWSA document regarding resolution of the issues regarding accuracy of the Clearview Meter, for their review. This email discussed questions Clearview Partners have, examined the proposal made by staff on December 5th regarding reconciliation of 2011-2014 billing amounts, and provided an expanded detailed proposal.

b.) Clearview Reservoir-Exterior Coating Evaluation Scope

Mr. Curran presented a verbal summary to the Board of Commissioners of a need for a Clearview Reservoir Exterior Coating Project provided by Quality Coating Inspection and Consulting Inc. for their review. The report states that for the Exterior Shell it was found that the coatings have degraded much more than previously thought; there are some pinpoint rusting and damage from objects striking the surface (rocks); there are some corroded areas as small as 3-4 square inches and as large a 1 foot square; and overspray has been coated over contributing to moss and algae growth allowing moisture to make contact with the steel, so it should be removed.

The roof's coating is still providing good protection to most of the roof surface. The exceptions are the ponding areas in the low spots in the roof where the water collects staying in contact with the coating for extended periods of time, and the steel surface under the roof vent is demonstrating light surface corrosion as it is subject to moisture from the inside of the tank which is also high in chlorine.

The gutter holds water as it doesn't have enough grade to drain. The surface is protected with epoxy coatings and nearly all surfaces are corrosion free. The isolated areas demonstrating corrosion seem to be confined to welds.

In summary, even though the corrosion on the roof and spot corrosion from rock chips on the shell could be prepared by power tool cleaning, the condition of the coating on the shell and the fact that there's far too much area to power tool clean, warrants sandblasting the entire surface of the tank as the practical approach. If sandblasting is employed, containment (encapsulation) will be needed, due to the tanks proximity to the neighborhood just to the west of the reservoir.

c.) Everett Water Storage-Spada Volume/Spada Elevation

Mr. Curran presented to the Board of Commissioners, an Everett Water Storage Volume and Elevation report dated December 15, 2014, for their review.

7.) STAFF REPORTS

a.) District Engineer:

No Report.

b.) Finance Manager:

Mr. Nelson reported the District's 2015 insurance rates are slightly lower than initially calculated. Payroll adjustments will be made accordingly. Mr. Nelson reported that the District is scheduled to file 13 new liens against customer properties for delinquent payment. Mr. Nelson reported he continues to negotiate terms for banking services with Columbia Bank.

c.) Attorney:

Mr. Milne reported attorneys representing special purpose districts and cities are drafting a legislative bill addressing issues regarding voter approval of city assumptions of special purpose districts after annexation.

d.) General Manager:

Mr. Curran reported that District employee Katarina Hirai has successfully completed her Fall Quarter classes at Everett Community College and the District will reimburse her for tuition and book expenditures in the amount of \$2,414.84 in accordance with Resolution No. 706.

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, 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 6:05 p.m., 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.

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

This ends the Minutes of the December 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 December 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 January 8, 2015, 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 8th day of January 2015.

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



Rod Keppler, Secretary