

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

February 12, 2015

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on February 12, 2015, 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 Anderson called the meeting to order at 5:30 p.m.
- 2.) **APPROVAL OF MINUTES:** The Minutes of the regular meeting of January 22, 2015 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	.02-001-.02-039	\$221,455.88
Sewer Maintenance	743 5418666	.02-001-.02-014	599,382.73
Sewer Capital Improve.	743 5448666	.02-001-.02-004	1,048,092.94
Water Capital Improve.	743 5468666	.02-001-.02-002	6,727.50
Revolving Check Fund		3780 - 3793	24,355.43
Wire Transfer	15321-41 st Ave. SE		7,500.00
Wire Transfer	15321-41 st Ave. SE		154,023.88
Total Warrants			\$2,061,538.36

b.) **Staff Report-Fourth Qtr. Financial Reports-December 31, 2014 (Pre-closing)**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding Fourth Quarter Financial Reports-December 31, 2015 (Pre-closing), for their review. Following discussion, by motion passed unanimously, the Board of Commissioners directed Mr. Nelson to transfer a total of five million dollars from the District's Maintenance Funds to the District's Capital Funds.

c.) **Closing on Ashford Property**

Mr. Curran presented a verbal summary to the Board of Commissioners of the Closing of the purchase of the Ashford Property culminating in the recording of a Statutory Warranty Deed by Snohomish County on February 3, 2015 from Grantors Elliot & Lynda Ashford to Grantee Silver Lake Water and Sewer District. The Commissioners reviewed

an Estimate from Wyser Construction Co., Inc. regarding demolition to dispose of two garages and a partial house and to remove all brush and small trees on this site, grade it and to provide assistance in septic tank pump out and cover. Following discussion, by motion passed unanimously, the Board of Commissioners authorized District staff to contract with Wyser Construction Co. Inc. to do this work in an amount not to exceed \$16,100.00 plus tax.

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 AWWD Intertie-Master Meter No. 10 project, for their review. The Contractor will begin confirmation tests when AWWD personnel can be scheduled for coordination of the AWWD vault and rack components of their meter system with the SLWSD confirmation testing of the meter control components in the District's vault and rack panels. A test was scheduled for February 12th but Alderwood telemetry was not receiving signals. A defective cord was identified as a probable reason for lack of connectivity. This is being replaced and February 18th is now identified for confirmation testing.

b.) Silver Acres Water Main Improvements Phase 2 Project

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and a Gray & Osborne Scope of Work, Fee Proposal, and Project Construction Estimate regarding the Silver Acres Water Main Improvements Phase 2 project, for their review.

The Silver Acres Water Main Improvements were identified in the Comprehensive Plan. Phase 1 is the directional drilling project tie-in for the western tip dead-end mains to the water main in Freeway Place. This formed a distribution grid and the remaining Phase 2 work identified to be a strengthening of the grid was intentionally delayed pending applications to the PWTF Loan that was awarded but never funded. Staff recommended the District proceed with the Phase 2 installation of approximately 700 LF of 8-inch water main as these improvements will provide the District the ability to operate a full grid distribution system in the Silver Acres area, including new isolation valves added to allow separation from City of Everett mains in 118th Street. With this work, the District will no longer need Master Meter No. 3 to provide flow to Silver Acres and can abandon these facilities to the City of Everett. The District's grid would remain connected to the Everett facilities until the City can resolve fire flow concerns in the Murphy's Corner Annexation area. The estimated total project cost for these improvements including design, permits, equipment, construction, construction management, and 20 percent construction contingency is \$254,000.

Staff requested the Board review, and if acceptable approve the Gray & Osborne Scope of Work for the services identified: to survey, design, provide permit assistance, develop bid documents, assist in the bid process, provide construction staking, construction management services, construction inspection, and preparation of record documents and drawings for the identified improvements; for a fee amount not to exceed \$56,700.00 without prior District written authorization.

Following discussion, by motion passed unanimously, the Board of Commissioners approved the Gray & Osborne Scope of Work for services identified, for a fee not to exceed \$56,700.00 without prior District written authorization.

c.) Report to Board-Upcoming Projects

Mr. Gilmore presented a verbal report to the Board of Commissioners of a Staff report regarding upcoming projects beyond normal maintenance construction that District staff is exploring with Gray & Osborne to develop Scope of Work and Project Proposals for services, for their review.

The Silver Firs Lift Station Force Main Rehabilitation Project has two different constructed elements, about 300 feet on easement and 800 feet in ROW. This project would expand emergency repair work that was performed on the easement portion of the Force Main when a leak was repaired, and prior to backfilling, a second leak that was close by was also discovered and repaired. Staff is considering installation of an isolation valve between right-of-way and easement portions of the Force Main. This will be installed by staff and the right-of-way segment tested for tightness. If this segment passes pressure testing then the construction design effort will be on the easement segment. Staff will consider relining or possibly slip lining this easement section as construction access is difficult.

Seattle Hill Road Widening Project (scheduled for 2017 construction) is a Snohomish County Public Works Project and County staff and consultants have worked closely with the District and other utility purveyors to minimize the impact of their road widening and re-grading project. The re-grading work will, in some stretches, expose the District's existing water main. The work to lower the District's impacted main must occur prior to the County construction efforts. Some sewer relocation may be included in the recommendations for action. Minor adjustments of manhole and valve covers, due to surface grading and re-paving, will be handled following final paving by the County.

The District's ongoing evaluation of the Cure in Place Projects performed in the District is showing favorable results. Sewers were re-lined in 132nd Street near the Safeway Store, where the construction would be difficult due to high traffic. The product is holding up well after two years and the smooth wall conditions achieved with this approach is helping the pipes to collect less debris. Staff will present the maintenance experience along with before and after television records of the two year old project sites when the new candidate projects are up for this method. One probable project is the 18-inch concrete sewer main that conveys the Lift Station 3 Force Main discharge down 51st Avenue. The District has received odor complaints from the neighbors' along 51st Avenue and one source of odor could be hydrogen sulfide gas released as the Force Main discharge flow is aerated when released to gravity flow. Sewer television inspection of this main revealed the concrete pipe aggregate is being exposed by the sulfuric acid formed when hydrogen sulfide gas is released. Using a cured in place pipe coating would halt the deterioration and restore the integrity of the pipe.

The Comprehensive Plan Update for the District's new water plan will be due in 2016. The District has historically updated the water and sewer plan concurrently to utilize the

same population and land use regulations information in both plans. Recent Department of Health communications have suggested that Water Comprehensive Plans may be allowed to have a ten-year term between required updates. This and the possible modification in the agreement with the City of Everett for water and sewer service and discussions with King County suggest that water and sewer plans should be updated concurrently on this round as well. Staff anticipates bringing scope work and cost proposals to the Board this fall for the work to begin in time to complete the plans and receive regulatory approvals on schedule.

d.) Developer Extension Applications

Mr. Gilmore presented a verbal summary to the Board of Commissioners of two Developer Extension Agreements with attached Project Site maps, for their review.

Northwood Ridge is two existing parcels immediately adjacent to, and south of, 180th Street SE, extending from the Plat of Brookfield Lane 2 to the Plat of Fairfield. This proposed project will extend water and sewer mains to the new Plat of Northwood Ridge, a 43 lot subdivision. This development will serve to the 180th Street Lift Station and the Alderwood Basin. The Developer is Pacific Ridge Homes, as PRH, LLC.

Canton Highlands is adjacent to the Power Line Easement east of Sunset Road and east of and adjacent to the Plat of Bear Creek 1. It extends from the Plat of Canton Ridge and south to 180th Street SE. This project will extend water and sewer mains to the new plat of Canton Highlands, a 35 lot subdivision. This development will serve to the 180th Street Lift Station and to the Alderwood Basin. The Developer is Lennar Northwest, Inc.

Following discussion, by motion passed unanimously, the Board of Commissioners accepted and executed one Developer Extension Agreement each for the plats Northwood Ridge and Canton Highlands.

5.) MAINTENANCE AND OPERATION REPORT(S)

a.) Staff Report-Mini Excavator Bid

Mr. Curran presented a verbal summary to the Board of Commissioners of the Notice of Sale for the 2007 John Deere 50D Compact Excavator that has been posted to the District's website and emailed to other governmental agencies for posting. District staff has set a price of \$50,000.00, stating the machine will be available on or after March 1, 2015. The purchasing entity will be required to pick up the Excavator at the District's Headquarter site and submit payment in full by Cashier's Check only. The District will accept offers until Friday, February 24th, 2015, by 2:00 p.m.

b.) Floater Days for December 24th & December 31st, 2015

Mr. Curran provided a verbal report to the Board of Commissioners regarding a request from staff to take two floater days; Thursday, December 24th and Thursday, December 31st, 2015, closing the Districts office for Thursday, December 24th (Floater) and Friday, December 25th (Christmas-Holiday); December 31st (Floater) and January 1, 2016 (New Year's Day-Holiday). Following discussion, by motion passed unanimously, the Board of Commissioners approved Thursday, December 24th, 2015, and Thursday, December 31st, 2015, as all-District staff Floater days, closing the office for these days.

c.) Staff Attendance at Esri National Conference

Mr. Curran presented a verbal summary to the Board of Commissioners of a 2015 Esri User Conference proposal by staff. District employee Chad Phelan has requested to attend this informative conference July 20th – 24th, 2015, in San Diego, California. This is Esri's Annual Conference which is attended by 16,000 users of their ArcGIS Software, and a great setting to find out details regarding the latest software developments, as well as the opportunity to network with other users and to ask questions of the Esri staff that are responsible for designing the software. The estimated cost for attending this Conference is \$375.00.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Mr. Phelan's attendance at the 2015 Esri National Conference.

6.) INTER-AGENCY REPORTS

a.) District – City of Everett

Mr. Curran presented a verbal report to the Board of Commissioners of the Everett/SLWSD Wholesale Meeting that was held at the District's Headquarter Site today. He recommended the Commissioners set a Public Hearing to consider options for a long term sewage treatment agreement with the City of Everett or King County. The proposed agreement with Everett would also provide an agreed manner and method for transfer of District customers and utility facilities to Everett after annexation of areas within the District. Following discussion, by motion passed unanimously, the Board of Commissioners set a Public Hearing on March 12th, 2015, at the District's office commencing at 5:30 p.m., or as soon thereafter as can be heard, on the method and manner of providing sewer facilities and sewage treatment to areas within or near to the District's jurisdictional boundaries over the next fifty years and the manner and timing for possible transfer to the City of Everett (City) of District customers and facilities once annexed by the City of Everett.

b.) District – City of Mill Creek

Mr. Curran presented a verbal summary to the Board of Commissioners of The Hoefler Associates, Inc. Engagement Agreement/Appraisal for the property located at 2210-132nd Street SE, for their review.

7.) STAFF REPORTS

a.) District Engineer:

No Further Report.

b.) Finance Manager:

Mr. Nelson reported that the Washington State Department of Revenue is scheduled to visit the District to conduct an Audit of the District the first week of March, 2015.

Mr. Nelson reported that David Hoagland of Hellam Varon is scheduled to be on site for 2014 Financial Report work the 4th week of March, 2015.

c.) **Attorney:**

No Further Report.

d.) **General Manager:**

Mr. Curran reported to the Board of Commissioners that on Friday, February 27, 2015, Mr. Greg Brizendine (East Wenatchee Water District) is retiring. There will be a celebration held at the Highlander Grill/Golf Course in East Wenatchee in his honor, from 4:00 p.m. – 7:30 p.m.

Mr. Curran reported to the Board of Commissioners on a Fire Hydrant within the District that had been painted Seahawk colors. The Fire Hydrant has since been returned to its standard color.

Mr. Curran reported that Commissioner Tom Calvin of Fall City Water District passed away on Monday. A Memorial Service will be held at the Fall City United Methodist Church on Saturday, February 14, 2014, at 11:00 a.m.

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 6:00 p.m., Commissioner Anderson advised that the Executive Session would be concluded at 6:05 p.m. The Executive Session concluded at 6:05 p.m. and the open public meeting reconvened.

Following discussion, by motion passed unanimously, the Board of Commissioners directed staff to proceed with obtaining an appraisal for the District property located at the corner of 148th St. and 41st Ave. SE for the purpose of selling the property.

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

This ends the Minutes of the February 12, 2015 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 February 12, 2015 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 February 26, 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 26th day of February 2015.

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



Anne Backstrom, Secretary