

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

April 9, 2015

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on April 9, 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 March 26, 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	.04-001-.04-040	\$119,740.73
Sewer Maintenance	743 5418666	.04-001-.04-012	601,186.42
Sewer Capital Improve.	743 5448666	.04-001-.04-003	250,014.36
Water Capital Improve.	743 5468666	.04-001-.04-003	10,661.37
Revolving Check Fund		3858 - 3875	2,831.70
Total Warrants			<u><u>\$984,434.58</u></u>

b.) PWAA Deficit Status

Mr. Curran presented a verbal summary to the Board of Commissioners of a report published by the Legislative Advocacy on March 30, 2015, reporting unexpected deficit balance of Public Work Assistance Account means it cannot absorb any further sweeps, for their review. Staff of the Public Work Board (PWB) has communicated that if the legislature adopts a budget that sweeps any more incoming revenues (including loan repayments) it would not merely result in no new loans being provided, but would result in canceling further payments for projects that are already under contract (i.e. already have approved loans). The State's obligation would be to reimburse for project expenses that have already been incurred, but nothing beyond that.

The PWB staff have stated that without further cuts and with funding for the loan list proposed in the Governor's and the House's budget (\$69.7 million), the account will return to fiscal health and stability starting in July 2017. AWC reported they will work

with legislators to make sure they understand the PWTF can't absorb any further sweeps or diversions without causing significant disruption or cancellation of projects that are already underway. Mr. Curran reminded the Commissioners that the District has a PWTF loan in place to fund the District's share of the current Everett Treatment Plant Capital Improvement Project. Mr. Curran advised the Commissioners that in anticipation of the District's loans being canceled by the Legislature, staff will initiate review of alternative funding sources for these Capital Improvement Projects.

c.) 2015 Utility Rate Increase

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding the proposed 2015 Water & Sewer Rate adjustments, for their review. The District received rate increase notices from the District's three water sources: CWSA (\$.05), AWWD (\$.05), and the City of Everett (\$.23). The blended water rate increase for 2015 is \$.05 per water unit. Staff recommended the water commodity rate for winter be increased from \$1.75 to \$1.80 per ccf and the summer commodity rate be increased from \$2.20 to \$2.25 per ccf, in addition to the \$.30 water base rate increase for GIS services.

The 2015 Utility Rate Forecast includes an estimated sewer pass-through rate of \$2.24 per single family residential equivalent (SFRE) for all sewer customers in the AWWD Basin. AWWD notified the District that King County Metro sewer treatment rate increased from \$39.79 to \$42.03 for 2015. Staff recommended increasing the District's Alderwood Basin sewer rate from \$51.00 to \$53.95, of which \$2.24 is related to the pass through and \$.70 to fund the District's new GIS costs, rounded to the nearest \$.05. Staff is recommending an increase in the Everett Basin Sewer Rate from \$51.05 to \$51.75, which will represent an increase of \$.70 to fund the District's new GIS costs.

Staff requested the Board of Commissioners direct them to prepare a water and sewer rate resolution as proposed, and to schedule a Public Hearing for April 23, 2015 regular Board meeting. Following discussion, by motion passed unanimously, the Board of Commissioners directed staff to draft a proposed water and sewer rate resolution, and to schedule a Public Hearing regarding proposed water and sewer rate adjustments on April 23, 2015.

d.) Glenn Lee – Settlement Release

Mr. Curran presented a verbal summary to the Board of Commissioners of a Settlement and Release form signed by Mr. Glenn Lee on April 2, 2015, relating to a sewer back flow event that occurred on March 4, 2015 at his residence at 2112-105th Place SE, Everett. A payment of \$60.00 was sent to Mr. Lee.

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 District has been operating Master Meter No. 10 at a take rate of 300,000 gallons per day since March 11, 2015. Staff has developed a testing approach acceptable to AWWD for small step increases to the daily take from Master Meter No. 10 to reach maximum flow capacity without causing turbidity events in the adjacent neighborhoods or the District's

distribution grid. The District expects to confirm water can be taken from Master Meter No. 10 at a rate approaching 3 million gallons a day. Testing began on Tuesday, April 7, 2015 and the District's take rate was increased to 300 gpm (430,000 gallons per day) and it will continue to increase in accordance with the agreed testing protocol with AWWD until completion of the test of the performance of Master Meter No. 10.

The projects punchlist items remain but are being resolved. Staff anticipates bringing a request for project acceptance to the Board meeting of April 23, 2015.

b.) First Quarter Bills of Sale Report

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report listing the accepted 1st Quarter Bills of Sale for Developer Extensions, representing \$1,360,505.77 of utility infrastructure added to the District by Developer contribution, for their review. Following discussion, the Board acknowledged acceptance of the following Bills of Sale:

PROJECT NAME	WATER	SEWER
1st Quarter		
Spring Haven	\$257,382.54	\$256,400.71
Bothell-Everett Sub Station		302,010.34
Ruggs Lake Villas	35,423.25	58,626.29
Mayfield Estates	206,167.96	187,981.73
McDowell Short Plat	25,907.70	30,605.25
Total Value	\$524,881.45	\$835,624.32

5.) MAINTENANCE AND OPERATION REPORT(S)

a.) Staff Report-District Vehicle Traffic Accident-Malen

Mr. Curran presented a verbal summary to the Board of Commissioners of Staff report regarding a traffic incident that occurred on March 24th, 2015, at 35th Avenue & 135th Street SE in Mill Creek, involving a District employee, for their review. No one was injured in this incident but there was damage to both vehicles involved. No tickets, citations, or Police reports were issued. Both vehicles were able to drive away from the scene. WCIA was notified of the accident.

b.) Staff Report-District Vehicle Traffic Accident-Stecher

Mr. Curran advised the Board of Commissioners of late developments regarding a traffic incident that occurred on April 1, 2015, at 3408-125th Place SE in Everett, involving a District employee, and requested this matter be discussed in Executive Session pursuant to RCW 42.30.110 (1) (i) regarding potential litigation at the end of the meeting. Commissioner Anderson stated this matter would be addressed as Agenda Item 7. (d).

6.) INTER-AGENCY REPORTS

a.) Signed Contract-Everett-SLWSD Sewage & Annexation Agreement

Mr. Curran presented a verbal report to the Board of Commissioners of the Everett/SLWSD Long Term Sewage and Annexation Agreement that has been signed by all parties. This new agreement's effective date is March 31, 2015.

7.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore advised the Board of Commissioners that the Snohomish County Council has scheduled a Hearing on May 13, 2015 to consider a change in zoning of the District's property at 41st Ave. SE and 148th St. SE from Medium Density Residential to Neighborhood Business. The Board of Commissioners directed staff to prepare and send communications to the County Council and its Planning and Development Department expressing the District's support for this rezone.

Mr. Gilmore reported on Operations staff testing of the Silver Firs Force Main. The test verified the "top" 600 feet of the force main that is in public ROW was not leaking and not showing any damage.

b.) Finance Manager:

Mr. Nelson reported the District filed 8 liens against properties owned by District customers that are delinquent in payments for services. He commented this is the lowest number of lien filings for some time.

Mr. Nelson expressed his appreciation for the new interactive mapping of Latecomers Areas by Chad Phelan.

c.) Attorney:

No Further Report.

d.) General Manager:

Mr. Curran requested an Executive Session pursuant to RCW 42.30.110 (1) (i) regarding potential litigation for 5 minutes. A motion was made, seconded, and unanimously approved by the Board of Commissioners to convene to an Executive Session to discuss this matter. Before convening to the Executive Session at 5:55 p.m., Commissioner Anderson advised the Executive Session would be concluded at 6:00 p.m. The Executive Session concluded at 6:00 p.m. and the open public meeting reconvened.

Following discussion, by motion passed unanimously, the Board of Commissioners approved of, and authorized, the General Manager to execute settlement of the Teddy Duong/Cam Tang Claim in the amount of \$208.50 on the condition they execute a release.

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

This ends the Minutes of the April 9, 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

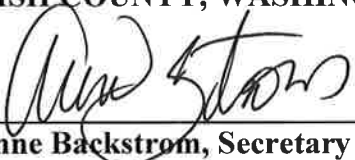
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 April 9, 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 April 23, 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 ____ day of April 2015.

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



Anne Backstrom, Secretary