

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

May 14, 2015

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on May 14, 2015, beginning at 5:30 p.m., at the District Administration Building. Attending were Commissioners Bill Anderson and Rod Keppler; Commissioner Anne Backstrom was excused from this meeting. Also present were General Manager Patrick Curran, District Engineer Rick Gilmore, and Finance Manager Brad Nelson; Eric Delfel with Gray & Osborne; David Hoagland with Hellam Varon, and John Milne and Kay Brossard 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 April 23, 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	.05-001-.05-055	\$178,724.13
Sewer Maintenance	743 5418666	.05-001-.05-016	652,266.87
Sewer Capital Improve.	743 5448666	.05-001-.05-005	300,954.59
Water Capital Improve.	743 5468666	.05-001-.05-003	15,211.70
Revolving Check Fund		3906 - 3930	35,462.08
Total Warrants			\$1,182,619.37

b.) **Staff Report-2014 Financial Statements**

Mr. Hoagland presented a verbal summary to the Board of Commissioners of the 2014 Financial Statements. Overall the District is in fine financial condition. These statements are required to be submitted to the State Auditor's Office by May 30, 2015.

c.) **Staff Report-First Quarter Financial Reports-March 31 (Pre-closing)**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding the First Quarter Financial Reports-March 31 (Pre-closing), for their review. The District received \$6,340,765 in Pre-closing Revenues as of March 31, 2015. This was a decrease of \$1,315,702 from 2014. The decrease in revenues is directly related to a decrease in Bills of Sale revenues and new connection inspections.

4.) CAPITAL IMPROVEMENT PROJECT(S)

a.) AWWD Intertie-Master Meter No. 10

Mr. Gilmore presented a verbal report to the Board of Commissioners regarding the status of the AWWD Intertie-Master Meter No. 10 Project.

b.) Developer Extension Agreement

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and map regarding a Developers Extension Agreement for Harmony at Mill Creek, for their review. This project is located on the east side of 41st Avenue SE just south of the District's Property on 41st Avenue SE and 148th Street SE. It is a proposed project that will extend water and sewer mains to 50 unit attached townhome structures. The Developer is Sound Investments who constructed the townhomes and the self-storage unit projects on the opposite side of 41st Avenue SE from this new project site.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed the Developer Extension Agreement for the Harmony at Mill Creek project.

6.) INTER-AGENCY REPORTS

a.) CWSA-Reservoir Bid Schedule

Mr. Gilmore and Mr. Curran presented a verbal summary to the Board of Commissioners of the Cross Valley Water District's CWSA Reservoir Exterior Painting Bid Opening of April 28, 2015, at 10:00 a.m. The Engineer's Estimate (including tax) was \$920,385. The lowest bid was provided by Purcell Painting and Coatings at \$840,000, including tax.

b.) Letter to Snohomish County Council RE: Corner Property Rezone

Mr. Curran presented a verbal summary to the Board of Commissioners of an email he sent to the Snohomish County Council on May 7, 2015, regarding the District's property located on the southeast corner of 148th Street SE and 41st Avenue SE requesting the Snohomish County Council to rezone the District's property located at 14825-41st Avenue SE to NB, for their review.

7.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore advised the Board that District Staff will be meeting next week with Everett Public Works staff to discuss upcoming District Capital Projects, including the Reservoir No. 3 Recoating Project. Under the new Long Term Agreement with Everett, Everett must pay approximately 10% of the cost of the Reservoir No. 3 Project. Staff cares to give Everett a "heads up" on this to allow Everett to put this cost in its 2016 Capital Budget.

b.) Finance Manager:

Mr. Nelson reported on a developer's communication that they will appeal the District's application of Accessory Dwelling Unit rates and charges. He stated District staff is finding more and more of these. Staff is reviewing this rate classification to try to further clarify the definition of what an Accessory Dwelling Unit is.

Mr. Nelson advised the Board the District's new water and sewer rates are going into effect this month.

Mr. Nelson reported on discussions with the State Department of Revenue regarding the District's calculation of the excise tax paid in the past. With the help of Mr. Dave Hoagland, District staff has made progress with the Department of Revenue regarding the amount of underpayment, but the District will still owe the State of Washington a payment to cure the past underpayment of this excise tax.

c.) Attorney:

Mr. Milne reported on the amendment to RCW 57.08.050 effective July 24, 2015, which raises the threshold for requiring a bid process for public works from \$20,000 to \$50,000.

d.) General Manager:

Mr. Curran reported five District employees took the WCIA sponsored SWERVE class on Thursday May 14, 2015. It is a defensive driving class including classroom work and driving a course to improve skills. With these employees finishing the course, all full-time employees have completed the class.

Mr. Curran requested an Executive Session to discuss matters pursuant to RCW 42.30.110 (1) (c) regarding real property currently owned by the District. 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 Anderson advised that the Executive Session would be concluded at 6:10 p.m. The Executive Session concluded at 6:10 p.m. and the open public meeting reconvened.

Following discussion, by motion passed unanimously, the Board of Commissioners authorized and directed staff to proceed with changing the phone and power utility corridors at the old headquarter site to better facilitate sale of the front half of the property.

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

This ends the Minutes of the May 14, 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 May 14, 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 May 28, 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 28th day of May 2015.

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



Rod Keppler, Acting Secretary