

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

June 25, 2015

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on June 25, 2015, beginning at 5:30 p.m., at the District Administration Building. Attending were Commissioners Bill Anderson, Rod Keppler, and Anne Backstrom. General Manager Patrick Curran was excused from this meeting. Also present were 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 June 11, 2015 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	.06-038-.06-077	\$257,484.57
Sewer Maintenance	743 5418666	.06-013-.06-018	30,609.85
Sewer Capital Improve.	743 5448666	.06-001-.06-001	4,463.21
Water Capital Improve.	743 5468666	.06-004-.06-005	4,374.90
Revolving Check Fund		3984 - 4018	7,769.74
Total Warrants			\$304,702.27

4.) **CAPITAL IMPROVEMENT PROJECT(S)**

a.) **Silver Acres Water Improvements Phase 2-Request to Advertise for Bids**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report, Gray & Osborne's Authorization to Bid, and Construction Management Budget Amendment and Preliminary Construction Cost Estimate, for the Silver Acres Water Improvements Phase 2 project, for their review.

Staff requested the Board review and if acceptable, approve Gray & Osborne's' request for a fee increase of \$12,000.00 to perform these services to a revised amount not-to-exceed \$68,700.00, without prior written authorization from the District. The total estimated cost for the project is \$352,094.00. Further, the Board was asked to direct staff to advertise for construction bids when the plans and specifications are complete, and to use the services of Builders Exchange of Washington for electronic posting of the bid documents.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Gray & Osborne's request for a fee increase of \$12,000.00 to perform these services and to revise the total fee amount not-to-exceed \$68,700.00, without prior written authorization from the District. By separate motion passed unanimously, the Board of Commissioners also directed staff to advertise for construction bids, when plans & specifications are complete, through the services of Builders Exchange of Washington.

b.) Upcoming Headquarter Site Improvements Project Report

Mr. Gilmore presented a verbal summary to the Board of Commissioners of the General Managers report regarding the upcoming Headquarter Site Improvements project, for their review. At the direction of the Board of Commissioners, staff has reviewed architectural firms listed on the MRSC Rosters Vendor list to select a firm to provide services for site development at the District's Headquarter site. Site development will include relocation of site access, street improvements, a paved service yard, on-site parking, storm drainage and site utilities, and construction of a new detached storage building and a two-bay vehicle building addition. The District will remain operational at the existing site during the design and construction of the facilities.

Page & Beard was selected to do this work upon the negotiation of an acceptable agreement. Mr. Curran has been negotiating with Page & Beard regarding their proposed architectural work but has not yet been able to conclude the negotiation of an acceptable agreement.

At the direction of the Board of Commissioners, Mr. Curran has discussed with contractors, their use of architectural firms for projects similar to what the District is contemplating. The general consensus is that an architect's fee for work, with a similar scope as the District's, would be approximately 8 – 9% of the project's cost. Mr. Curran discussed this project scope with two other architects in the area who are on the MRSC Rosters Vendor list; Adam Clark of 2812 Architecture and Andy Hall of Botesch, Nash, and Hall Architects. Mr. Curran will schedule a time to meet, individually, with each of these firms early in July to learn more about their work and background, as well as, better inform each of the scope of work for the District's project, and further discussion may ensue.

Mr. Curran advised Brandt McCorkle of Page & Beard of the tasks the Commissioners directed him to do, and Mr. McCorkle communicated with him that Page & Beard was committed to provide its work on this project with a fee of 9%, stating he would remove certain tasks (3-D deliverable and a video presentation of the structures and new yard) as they are not considered "standard" or "basic" services; and by removing these services, he should be able to reduce the number of hours of work to 9% of the project's cost. He also advised Mr. Curran that he would soon deliver an updated Scope of Work to the District.

5.) **INTER-AGENCY REPORTS**

a.) **Department of Commerce Notice of Contract Suspension**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Department of Commerce Notice to all Contractors with an attached Notice to all Contractors/Suspension & Termination of Contracts Frequently Asked Questions document regarding the Department of Commerce request for the District to allow them to suspend District contracts, in the event the State of Washington's budget(s) is not enacted into law by the deadline of midnight, June 30th, 2015. Mr. Gilmore informed the Board that staff's recommendation is for the Board, by motion, to direct them to request the Department of Commerce to suspend the District's contract for the PWTF Loan on the Everett Treatment Plant Improvements project. The request for suspension will be presented with the understanding that if a budget is passed prior to the July 1st deadline, the request should be revoked and the suspension, if requested and accepted by the Department of Commerce, would be administratively ended by the Department of Commerce when the budget is in place.

Following discussion, by motion passed unanimously, the Board of Commissioners directed staff to request the Department of Commerce to suspend the District's contract for the PWTF Loan on the Everett Treatment Plant Improvements project, with the understanding that, if the State budget is passed prior to the July 1st, 2015 deadline, the request would be revoked and the suspension would be ended by the Department of Commerce when the budget is in place.

b.) **WASWD Recognition Gift**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of an email received by the District's General Manager on June 16, 2015, regarding the Assumption Bill that was passed and signed into law; in large part to the hard work done by Blair Burroughs, the State Association's Executive Director, and Joe Daniels, the State Association's lobbyist. Diane Pottinger, Jay Krauss, Jeff Clarke, and Fanny Yee would like to find a way to recognize their good work, and would like to collect a personal contribution of \$10.00 from each interested Manager and Commissioner to be used to purchase a gift card for Blair & Joe for a surprise presentation at the WASWD Fall Conference.

Fanny Yee requested for Managers to poll their Commissioners to see if there is interest in participating in this collection and after compiling a list of participants, she will have an estimate on what funds they will collect and will request an aggregate personal check from the manager of the participating District. She has requested a response before July 15, 2015, to allow time for processing. The Board reviewed the request and took it under advisement for further discussion with the General Manager.

c.) **Everett Water Storage-Spada Elevation and Volume Chart**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of an Everett Water Storage Spada Elevation/Volume report, for their review.

6.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore presented an update to the Board of Commissioners on information provided by the City of Everett concerning taste and odor levels in the treated water received from the Spada Lake Reservoir and Treatment facilities. The Everett Water Filtration Plant recently switched intake lines to a Siphon Intake line which may have picked up plankton populations from Lake Chaplain (the plankton bloom is a normal seasonal occurrence). Following this change of draw point, complaints were received from customers of some taste and odor in their water. The source of these complaints is from compounds released from the plankton which react to Chlorine and cause a bitter/metallic taste and odor; however, the algal compounds present no health issues. The City began transitioning from a Siphon Line intake back to the deeper Gravity Screen House intake in Lake Chaplin. The City believes this change will help minimize the taste and odor issues customers are experiencing.

Mr. Gilmore also informed the Board of Commissioners that the Boundary Line Adjustment (BLA) of the District's Old Headquarter site has been submitted to the City of Mill Creek, and will be approved subject to execution of the BLA and recording with Snohomish County.

b.) Finance Manager:

Mr. Nelson presented an update to the Board of Commissioners of American Express Credit Card suitability for acceptance by the District for payment of District utility bills. Mr. Nelson requested the Board, by motion, direct staff to include American Express credit cards as an acceptable method of paying District utility bill invoices. Following discussion, by motion passed unanimously, the Board of Commissioners approved District staff to accept American Express credit cards for paying the District utility bill invoices, and to include this change in notifications to District customers.

c.) Attorney:

Mr. Milne informed the Board of Commissioners that the District has placed in the Everett Herald, the Notice of Intent to Sell District Real Property at 41st Avenue SE & 148th Street SE, and that an agreement with Colliers has been concluded and they will be marketing the District's surplus property. The Bid Opening is scheduled for August 25, 2015, at 2:00 p.m.

d.) General Manager:

No report.

There was not an Executive Session called for this meeting.

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

This ends the Minutes of the June 25, 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

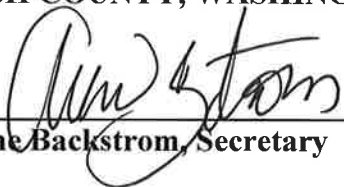
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 June 25, 2015 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 July 9, 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 9th day of July 2015.

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



Anne Backstrom, Secretary