

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

August 27, 2015

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on August 27, 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 August 13, 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	.08-050-.08-084	\$55,826.56
Sewer Maintenance	743 5418666	.08-011-.08-019	20,216.97
Sewer Capital Improve.	743 5448666	.08-002-.08-002	13,759.86
Water Capital Improve.	743 5468666	.08-003-.08-003	48.00
Revolving Check Fund		4221 - 4251	14,519.55
Total Warrants			\$104,370.94

b. **Staff Report-Lockbox Agreement (AFTS)**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding a Professional Services Agreement with AFTS for Lockbox Services, for their review. District staff recently changed commercial banks, from Opus Bank to Columbia Bank, and during the selection process, Lockbox Services with Columbia Bank and Automatic Fund Transfer Service (AFTS) was reviewed.

Currently, Finance staff receives, balances, processes, and deposits all District mail, counter payments, and drop box payments. AFTS Lockbox Services can scan both check and payment coupons received by the District. After speaking with AFTS and Columbia Bank, staff recommends a process that District staff would access the files, via an encrypted file transfer process, and review and submit the check images for deposit, and then post the payment coupons. AFTS's price is a flat monthly fee of \$150.00, plus \$5.00 per X9 file (daily), \$0.15 per scanned item, and \$.25 per hand-keyed item. An estimated

cost for AFTS providing this service will be \$950.00 - \$1,500.00 per month, depending on the number of hand-keyed items. All AFTS generated bills would go to Lockbox, while Final Bills generated by the District would be mailed back to the District for processing.

Staff requested the Board of Commissioners authorize the General Manager to execute the Professional Services Agreement, and if the agreement is executed, Lockbox will be set up and tested in September, with regular bills being sent to AFTS for processing. Following discussion, by motion passed unanimously, the Board of Commissioners authorized the General Manager to execute the Professional Services Agreement for AFTS for Lockbox Services, and approved staff to move forward for setup and testing in September 2015.

c.) Resolution No. 714 - City of Everett Water Shortage Response Plan-Stage 3 Emergency Conservation Rates

Mr. Curran gave a verbal report to the Board of Commissioners regarding the City of Everett's Water Shortage Response Plan (Stage 3 Emergency Conservation Rates). Following discussion, the Board of Commissioners requested staff to review various rate methodologies regarding Stage 3 Emergency Conservation Rates and report back to the Commissioners at a later meeting.

4.) MAINTENANCE AND OPERATION REPORT(S)

a.) Bid Opening for 14815-41st Avenue SE (District Property)

Mr. Curran presented a verbal summary to the Board of Commissioners of a Staff report and Bid Summary, regarding the sale of surplus property located at 14815-41st Avenue SE, for their review.

Pursuant to Resolution No. 713, the District declared this property to be surplus to its needs. The appraised value of the surplus real property is \$701,000.00, and pursuant to RCW 57.08.016, the surplus property may not be sold for less than 90% of its appraised value, which is \$630,900.00.

The District invited sealed bids for purchase of the property and received three (3) bids on August 25, 2015 as follows: 1) Saeed Abtahi (\$1,077,000.00); 2) Goodman Real Estate (\$705,000.00); and Bright Star Children's Center (\$705,000.00). All bidders' submittals met the requirements of the Invitation for Bid to sell the property. The highest responsive bidder is Saeed Abtahi. Staff presented email communication from Abtahi requesting, if his bid was accepted, the District delay signing the purchase and sale agreement until September 14, 2015, when he returns from vacation so he could have a full 30 day due diligence period upon his return. Mr. Abtahi also advised in the email he has signed and mailed the purchase and sale agreement to the District. The Invitation for Bid requires the District to sign the purchase and sale agreement within ten days of receipt. Therefore, Abtahi's request was contrary to the bidding instructions.

Following discussion, by motion made, seconded and carried unanimously, the Board of Commissioners accepted Mr. Abtahi's bid of \$1,077,000.00, directed District staff to send Mr. Abtahi a Notice of Acceptance of Bid and Award of Contract to Purchase Surplus Property, authorized and directed the General Manager to sign the Purchase and Sale Agreement on behalf of the District upon receipt, and authorized and directed District staff

to process the sale of the of the surplus property to Abtahi in accordance with the requirements of the Invitation for Bid and keep the Board further advised.

5.) INTER-AGENCY REPORTS

a.) EWUC Drought Response Meeting

Mr. Curran presented a verbal report to the Board of Commissioners regarding the EWUC Drought Response Meeting he and Mr. Gilmore attended on August 20th, 2015.

b.) Real Time GIS Locator Inter-local Agreement with Seattle

Mr. Curran presented a verbal summary to the Board of Commissioners of a Staff report and attached Washington State Reference Network Agreement with Seattle Public Utilities (SPU), for their review.

The proposed agreement with the City of Seattle will grant Silver Lake Water and Sewer District two licenses to use the Washington State Reference Network (WSRN) managed by SPU. This WSRN membership will provide real-time corrections of GPS locations collected in the field by SLWSD staff, to achieve centimeter accuracy GPS data.

Normally, annual licenses for non-members to use the WSRM have a price of \$1,900.00 per license per year, which would cost the District \$3,800.00 per year for the two licenses needed for the two GPS devices. However, this agreement proposes a more cost effective means of obtaining two licenses: 1) becoming a member of the WSRN by contributing a high speed modem to one of the WSRM base stations, at a one-time cost of approximately \$725.00, and 2) paying annual data charges for the modem at an annual cost of approximately \$600.00.

In summary, under this proposal, the first year of membership would cost approximately \$1,325.00, and subsequent years will cost approximately \$600.00. In return for this contribution, the District would receive two licenses to use the WSRM.

Staff requested the Board of Commissioners by motion, approve and authorize the General Manager to execute the agreement with Seattle Public Utilities. Following discussion, by motion passed unanimously, the Board of Commissioners approved the Washington State Reference Network Agreement with Seattle Public Utilities (SPU) and authorized the General Manager to sign the Agreement on the District's behalf.

6.) STAFF REPORTS

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson reported the District would have a colorized conservation note on its next cycle of customer utility invoices.

Attorney:

No further report.

c.) General Manager:

No further report.

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; and RCW 42.30.110 (1) (i) to discuss with legal counsel representing the District, litigation or potential litigation to which the District or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. 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 Anderson 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 August 27, 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

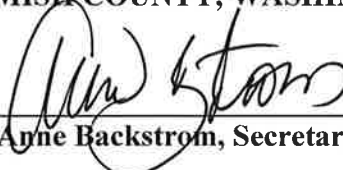
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 August 27, 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 September 10, 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 10th day of September 2015.

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



Anne Backstrom, Secretary