

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

April 28, 2016

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on April 28, 2016, 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 Attorney for the District.

- 1.) **CALL TO ORDER:** Commissioner Keppler called the meeting to order at 5:30 p.m.
- 2.) **APPROVAL OF MINUTES:** The Minutes of the regular meeting of April 14, 2016 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	.04-049-.04-080	\$127,176.90
Sewer Maintenance	743 5418666	.04-020-.04-024	7,995.58
Sewer Capital Improve.	743 5448666	.04-004-.04-004	461,949.85
Water Capital Improve.	743 5468666	.04-007-.04-007	11,468.88
Revolving Check Fund		4596 - 4624	9,796.54
Total Warrants			\$618,387.75

b.) **Staff Report – 2016 Pass Through Rate Increase**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding a 2016 Pass Through Rate Increase, for their review. The Alderwood Water & Wastewater District's (AWWD) Wholesale Water Rate will not increase in 2016. Even though the City of Everett had a significant increase to their Wholesale Water Rates, District staff recommended no pass through water rate increase for 2016, since the majority of the District's water is purchased from the Clearview Water Supply Agency (CWSA) or AWWD. With no increase to King County or AWWD Sewer Rates, staff recommended no pass through sewer rate increase for customers within the AWWD Sewer Basin. Starting April 1, 2016, the City of Everett increased their monthly sewer rate from \$30.13 to \$30.96 (\$.83 per ERU) per month. However, since the District signed a new addendum to the Long Term Sewer Contract in 2015, the increase from the District's 2014 rate of \$30.67 is only \$.29 per ERU. Staff recommended a \$.30 per ERU increase per month, which is rounded from \$.29.

Following discussion, by motion passed unanimously, the Board of Commissioners approved a \$.30 per ERU increase per month for sewer, effective on May 1, 2016.

c.) Staff Report – Financial Reports March 31, 2016

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding First Quarter Financial Reports-March 31, 2016 (Pre-closing), for their review.

4.) CAPITAL IMPROVEMENT PROJECT(S)

a.) Staff Report – Developer Extension Agreements

Mr. Gilmore presented a verbal summary to the Board of Commissioners of two Staff reports with attached Vicinity Maps regarding Developer Extension Agreements, for their review.

Henry Nguyen Short Plat is located between 123rd Street SE and 124th Street SE, at approximately 23rd Avenue SE. It is a residential subdivision in unincorporated Snohomish County. This project will construct side sewer service connections to provide for the four proposed units. The Developer is Henry and My Hein Nguyen.

Pinewood Terrace is located in an existing residential subdivision in unincorporated Snohomish County, currently served by on-site septic systems (the plat of Pinewood Terrace). This project will construct 3000 feet of mainline sewers to serve the Developers six undeveloped parcels, and where feasible, to construct the sewer mainline to front other unserved lots with existing houses. The Developer has proposed to request a Latecomers to obtain reimbursement from other property owners for the sewer lines he intends to construct when adjoining lots connect to these lines. Staff has discussed the Developer's approach and informed the Developer that a Performance Bond for the entire project will be required prior to construction. The Developer is Pacific Heights Homes.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed the Developer Extension Agreements for Henry Nguyen Short Plat and Pinewood Terrace.

b.) Staff Report – 2016 Comprehensive Wastewater Plan-G&O Scope & Fee Proposal

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding a response to the Board of Commissioners on a request for additional information for the services to be performed by Gray & Osborne (G&O) to update the 2016 SLWSD Comprehensive Wastewater Plan, for their review.

The District's last update to the Comprehensive Wastewater Plan was concluded in January 2011. The District is currently under contract with Gray & Osborne for updating the District's Comprehensive Water Plan that is required by the Washington State Department of Health. The District has updated the Comprehensive Wastewater Plan in concert with the required Water Comprehensive Plan to minimize the work effort that is common to each plan if independently scheduled for update without coordination. The Board had questioned the cost increase for the 2016 update to the Comprehensive Plan compared to the prior cost of the 2010-2011 Comprehensive Plan.

Staff explained that, at the time of the Comprehensive Wastewater Plan Update in 2008 transactions, the District's practice was, rather than using a project account specific for the Comprehensive Plan (11075020000), the 2008-2010 entries were posted to Engineering, which also included a wide range of other invoices and descriptions. Staff pulled the invoice descriptions labeled "Wastewater Comp Plan" to get the \$55,619.93 figure. In reviewing the invoice history supplied by G&O, there were other invoices listed with G&O, such as Plan Review, General Engineering, Manhole Adjustments, and Comp Plan that were not pulled by the database query provided to the Commissioners at their last meeting. A side by side comparison of G&O invoices and District postings obtained by a search for the date and invoice amount was highlighted in the charts provided for review. Both total \$91,736.00, the actual cost of the G&O work on the 2008 Comprehensive Wastewater Plan. Following discussion, by motion passed unanimously, the Board of Commissioners approved the Gray & Osborne proposal and Scope of Work in a not to exceed amount of \$97,400.00 without prior written authorization of the District.

c.) Staff Report – Seattle Hill Road Utility Relocation Project Update

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and Gray & Osborne Scope of Work and Fee Proposal, for their review. The County scheduled their road widening project to advertise in May and begin construction in July 2016. On April 18, 2016, the County informed the District that they will not advertise their project in May and did not yet have an anticipated date for placing their advertisement for bids. District staff recommended proceeding with the main lowering and other improvements. The District's Contractor, Marshbank Construction, submitted the signed Contract documents which are in review and will be signed by the District when their contract submittal attachments are confirmed to be in conformance with the District's contract requirements.

Gray & Osborne's Scope of Work and Estimated Fee Proposal is \$111,500.00 to perform these services. It is a conservative estimate as this project may have construction challenges, due to the many utility providers that will be relocating facilities in overlapping work zones. It includes construction survey staking and development of an interim "Asbuilt" Plan Set to be used until the County has completed their project. This proposal is less than ten percent of the contract price accepted from Marshbank Construction and is based on Marshbank using the full allotted construction working days with full-time inspection.

Staff requested the Board of Commissioners review the Gray & Osborne Scope of Services and Fee Proposal submittal, and if satisfied accept the proposal and direct staff to authorize Gray & Osborne to proceed to perform construction management on the Seattle Hill Road Water Main Replacement Project, in an amount not to exceed \$111,500.00 without prior written authorization from the District.

Following discussion, by motion passed unanimously, the Board of Commissioners approved the Gray & Osborne proposal and directed staff to authorize them to proceed to perform the construction management for the Seattle Hill Road Water Main Replacement

Project in an amount not to exceed \$111,500.00 without prior written authorization from the District.

d.) Staff Report – 2015 51st Avenue Sewer Rehabilitation Project

Mr. Gilmore provided a verbal summary to the Board of Commissioners of a Staff report and Gray & Osborne's Progress Estimate No. 1 and their recommendation of payment to Insituform Technologies, LLC, regarding the 2015 Sewer Rehabilitation Project, for their review. The remaining work is the pressurized lining installation of a portion of the force main from the Silver Firs Lift Station. Their first attempt ended when the curing process failed due to a ruptured liner fabric. The new liner is prepared and Insituform Technologies, LLC has provided the District with the date of May 17th to reattempt installation of the lining of the force main.

Insituform Technologies, LLC offered a return to the District on their Bypass Pump lump sum bid item of \$12,500.00. This was their estimate for trenching across Seattle Hill Road to place their bypass piping under sheets to be protected from traffic. The District diverted flow from Lift Station No. 3 to Pioneer Trails Lift Station removing the need to bypass flows when lining the gravity pipe crossing under Seattle Hill Road, and the trenching was not required. This reduction in their pay item is reflected in Pay Estimate No. 1 but will require the District to formalize the reduction by change order before acceptance of the project. This change order will be presented to the Board when it's prepared.

Staff requested the Board of Commissioners review, and if acceptable, approve Pay Estimate No. 1 and direct staff to process a payment to Insituform Technologies, LLC for work performed to date, less retainage, in the amount of \$461,949.85.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Pay Estimate No. 1 and directed staff to process a payment to Insituform Technologies, LLC in the amount of \$461,949.85 including tax.

5.) INTER-AGENCY REPORTS

a.) CWSA Annual Business Dinner

Mr. Curran presented a verbal report to the Board of Commissioners regarding the CWSA Annual Business Dinner that will be held on June 15, 2016, from 6:00 p.m. to 7:30 p.m., at the Alderwood Water & Wastewater District.

b.) EWUC Report

Mr. Curran provided a verbal summary to the Board of Commissioners of the Everett Water Situation Fact Sheet and Everett Water Storage Spada Elevation Graph he received at the last EWUC Meeting of April 21, 2016, for their review.

c.) Blair Burroughs Retirement

Mr. Curran provided a verbal report the Board of Commissioners of the flyer he received regarding a surprise retirement celebration for Mr. Blair Burroughs (WASWD), on Wednesday, May 18, 2016, from 5:00 p.m. to 7:30 p.m., at the Burien Elks Lodge. If any

Board member wishes to attend, Mr. Curran will direct staff to RSVP for them no later than May 9th, 2016.

6.) STAFF REPORTS

a.) District Engineer:

No Further Report.

b.) Finance Manager:

No Further Report.

c.) Attorney:

No Further Report.

d.) General Manager:

Mr. Curran provided a verbal summary to the Board of Commissioners regarding draft Resolution No. 725 (Declaring Certain District Personal Property to be Surplus and Detailing Terms of Sale or Disposal of Such Property), for their review.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed Resolution No. 725.

Mr. Curran reported to the Board of Commissioners that District employee, Emily Barringer had accepted the position of Accounts Payable/Payroll Coordinator.

Mr. Curran reported on five equitable adjustments in salary for certain District employees. Most of these were the result of a mid-year change in job classifications.

Mr. Curran distributed a report to the Board of Commissioners for their review regarding an event that resulted in stirred up water in a wide area of the District. An error in the SCADA water demand calculation resulted in significant additional water being drawn into the District system while at the same time the Altitude Valve at Reservoir # 4 failed to operate. Once District crews overrode the Altitude Valve, the 12" pipe into Reservoir # 4 opened fully allowing 2800 GPM to flow into the Reservoir. This resulted in 28 "cloudy water" calls from District's water customers over a large area of the District. Each customer was contacted by a District employee who explained the situation to their satisfaction. Mr. Curran commended the work of staff to minimize this event.

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

This ends the Minutes of the April 28, 2016 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 28, 2016 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 12, 2016, 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 12th day of May 2016.

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



Bill Anderson, Secretary