

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

May 26, 2016

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on May 26, 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; David Hoagland with Hellam Varon; 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 May 12, 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 | .05-040-.05-075 | \$221,870.96        |
| Sewer Maintenance      | 743 5418666 | .05-012-.05-018 | 162,182.12          |
| Sewer Capital Improve. | 743 5448666 | .05-003-.05-004 | 233,135.29          |
| Water Capital Improve. | 743 5468666 | .05-002-.05-002 | 4,624.12            |
| Revolving Check Fund   |             | 4649 - 4676     | 38,663.42           |
| <b>Total Warrants</b>  |             |                 | <b>\$660,475.91</b> |

b.) **Staff Report – 2015 Financial Statements**

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding 2015 Financial Statements with an attached historical overview of key financial information from 2006-2015, for their review. The Statements are required to be submitted to the State Auditor's Office by May 30, 2016. The Governmental Accounting Standards Board (GASB) – No. 68 changed the reporting standards for public agencies and requires pension liabilities to be reported as a Long Term Liability, and the annual changes in pension liability to be reported as Deferred Outflows. David Hoagland of Hellam Varon reported on the effects of the implementation of GASB No. 68. The State of Washington concluded its valuation of the PERS 1 and PERS 2 retirement plans and assigned each political subdivision their share of the unfunded liability as of 2014. The District's 2014 Financial Statements were restated by \$1,753,153 for the District's unfunded pension liability. Staff has changed the Historical Overview Analysis to report the Deferred Outflows on a separate line.

The District's general financial condition was weaker in 2015 than 2014, due to a reduction of Contributed Capital Incomes (Bills of Sale and New Connection Fees). Overall, the District's financial health remains strong. Staff pointed out that while the 2015 Financial Statements show a net loss of the Disposal of Assets, this loss relates to the net loss/gain on the disposal of all assets, including a portion of Master Meter No. 10 that was transferred to Alderwood Water & Wastewater District (loss), the trade-in value of the Track Hoe (loss), and the sale of the property at 14815-41<sup>st</sup> Avenue SE (gain).

**c.) Approval of Infinium Scope of Work and Fee Proposal & Draft Resolution**

Mr. Curran presented a verbal summary to the Board of Commissioners of a Scope of Work and Fee Proposal from Infinium Engineering and Consulting, Inc. (Infinium) and a draft resolution declaring an emergency relating to the need to obtain an arc flash hazard study, due to likely non-compliance with NFPA 70E, and waiving the formal engineering services procurement process requirements set forth in Chapter 39.80 RCW, for their review. Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed Resolution No. 726, waiving the formal engineering services procurement process requirements set forth in Chapter 39.80 and authorizing procuring consultant services.

Infinium will field investigate and document the existing power distribution infrastructure at each of the District's water and wastewater sites, as well as the District Headquarters. At the conclusion of its study, Infinium will provide an Arc-Flash Hazard Report for each location including one-line diagram with arc flash calculations and required PPE notes and recommendations, if applicable, for reducing the arc flash hazard. Additionally, Infinium will provide arc flash labels for electrical equipment as required by the NEC and in compliance with NFPA 70E as well as a laminated copy of the one-line diagram in their report that will be placed at each location. Arc flash labels will be permanently affixed. They will be waterproof and chemical, abrasion, and UV resistant.

The services will be provided for 22 lift stations, 12 water sites, and the District's Headquarter Site, for a fixed fee amount of \$49,018.00.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Infinium's Scope of Work and Fee Proposal in an amount not to exceed \$49,018.00.

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

**a.) Staff Report – 2015 Sewer Rehabilitation Project**

Mr. Gilmore provided a verbal summary to the Board of Commissioners of a Staff report regarding the 2015 Sewer Rehabilitation Project, for their review. The lining installation for the easement portion of the Force main from the Silver Firs Lift Station was accomplished on May 18, 2016. The bypass pumping was continued through the curing process and was still functioning on the morning of May 19. A fabric hose used in the temporary bypass connection failed and the sewer from the force main back drained and spilled onto the street surface and into the streets storm drain where it was contained. This spill will be presented as another report during this meeting.

Commissioner Anderson attended a field trip to the project site on May 18<sup>th</sup> to observe the installation and curing of the force main liner repairing the existing easement section of the Silver Firs Lift Station. The remaining work for this project is minor punch list items anticipated to conclude before the end of the month.

**b.) Staff Report – Utility Relocation Seattle Hill Road**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the Utility Relocation Seattle Hill Road Project, for their review. A Pre-construction meeting was held on May 26, 2016, at the District's Office.

**c.) Staff Report – Developer Extension Agreements**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and attached Vicinity Map regarding a Developer Extension Agreement, for their review.

Seattle Ridge is a residential plat of 16 lots located adjacent to the plat of The Village at Webster's Pond Phase 3, and extends east to its border along Seattle Hill Road, near 148<sup>th</sup> Street SE. The project was originally accepted as a DEA under the Developer name Seattle Hill North Coast, LLC. The project has been sold to Seattle Ridge Homes, Inc. This new company has the same operating personnel as the former owner.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed the new Developer Extension Agreement for the plat of Seattle Ridge, under the new Developer Seattle Ridge Homes, Inc.

**4.) MAINTENANCE AND OPERTIONS**

**a.) Status Report – Lead Position Hiring Process**

Mr. Curran requested this matter be footed to the bottom of the Agenda so the performance of various candidates for these positions can be discussed in Executive Session. The President of the Board set this Agenda matter to the bottom of the Agenda to be discussed in Executive Session.

**b.) Staff Report – Sewer Spill at Silver Firs Lift Station**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and Spill Site Plan regarding a sewage spill that happened during Silver Firs Lift Station bypass pumping for the 2015 Sewer Rehabilitation Project. District staff was notified at 8:15 a.m. on May 19, 2016 of the sewage spill, estimating 100 gallons lost from a bypass pump system in use at the construction project at Silver Firs Lift Station. Crews were on their way to the site when they received a high wet well alarm. The Contractor had shut down the bypass facility to allow removal of the pipe segment with a pinhole leak, and was draining the temporary force main back to the wet well. The Station's wet well continued to fill. The Vactor truck was dispatched and arrived at the site at 8:40 a.m. where crew observed that the bypass had been repaired and was running again, sending flows up the force main. The fabric force main then broke and the crew observed the force main was back draining across the road surface to the street storm water catch basins. The crew immediately set the Vactor in the control outlet catch basin. The water surface was kept below the elevation of the discharge orifice, and as a result, the entire flow was contained and recovered by the Vactor truck. The Vactor truck evacuated 3700 gallons of sewage which was all taken to disposal.

The Contractor replaced the broken pipe segment with a different standby pipe segment and restarted the Bypass Pump system. This system held and performed well for the remainder of the Contractor's work.

District crews cleaned all of the catch basins that received sewage flow; in addition, the storm manhole to the north of the control structure was cleaned as a precautionary measure. Ron Berger (O&M Manager) contacted the DOE and DOH and informed Snohomish County Surface Water Management of the spill to their storm system.

**c.) Staff Report – Bid Results-Truck Mounted Valve Exerciser and Loader**

Mr. Curran provided a verbal summary to the Board of Commissioners of a Staff report regarding Equipment Procurement Status, for their review. The Caterpillar 903C Front End Articulated Loader (bucket, broom & fork attachments also) has arrived on U.S. soil and is being prepped for delivery to the District toward the end of June 2016.

The District also completed a bid process for the Hydraulic Valve Exerciser. Three bids were obtained from two vendors. The low bid was submitted by E.H. Wachs in the amount of \$23,761.68. The order has been placed for this equipment, with the delivery date being August 1, 2016.

This equipment will be mounted on Truck #42 and be used with the Hydrant Maintenance Program. Truck #42 will be outfitted by North End Truck sometime in October, with a PTO (power take off) to power up the unit prior to Valve Exerciser operation.

As authorized by the Board of Commissioners, Fall Protection Equipment has been procured and is in use on District vehicles. Davit Sleeves are in the process of getting installed at remote sites. One Ships Ladder was installed at Master Meter No. 1, and six more Ships Ladders are ordered and should be delivered sometime in June.

**6.) INTER-AGENCY REPORTS**

**a.) Retirement Celebration – Mr. Ron Sheadel, GM, Cedar River Water-Sewer District**

Mr. Curran presented a verbal summary to the Board of Commissioners of a notice regarding Ron Sheadel's (General Manager for Cedar River Water & Sewer District) Retirement Celebration, to be held on Wednesday, June 8, 2016, from 1:30 p.m. to 5:30 p.m., at the Cedar River Water & Sewer District. If any Commissioner should wish to attend, Mr. Curran will have staff RSVP for them.

**7.) STAFF REPORTS**

**a.) District Engineer:**  
No Further Report.

**b.) Finance Manager:**

Mr. Nelson informed the Board of a new Water to Sewer Transfer Report presented to the Board. This report will be provided at each meeting where the Commissioners sign

vouchers for payment of District obligations. It provides the Commissioners with more detailed information of the amounts of each voucher that are respectively charged to the District's Water Fund and Sewer Fund.

Mr. Nelson reminded the Commissioners that each is invited to the Staff Memorial Day Celebration lunch scheduled to start at noon Friday, May 27, 2016.

c.) **Attorney:**

No Further Report.

d.) **General Manager:**

Mr. Curran requested to know if the Board of Commissioners, Rick Gilmore, and Brad Nelson wished to attend the CWSA Annual Meeting/Dinner, to be held at Alderwood Water & Wastewater District on June 15, 2016, from 6:00 p.m. to 7:30 p.m., as staff will need to RSVP for them. All requested an RSVP be sent.

The General Manager requested an Executive Session to discuss matters pursuant RCW 42.30.110 (1) (g) regarding the performance of certain District employees. 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 6:05 p.m., President Keppler advised that the Executive Session would be concluded at 6:17 p.m. The Executive Session concluded at 6:17 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 May 26, 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 May 26, 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 June 9, 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 9<sup>th</sup> day of June 2016.

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

  
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Bill Anderson, Secretary