

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

March 9, 2017

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on March 9, 2017, 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; Gene Matt with Matt & Associates, Inc., and John Milne with Inslee, Best, Doezie, & Ryder P.S., 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 February 23, 2017 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	.03-001-.03-041	\$644,730.34
Sewer Maintenance	743 5418666	.03-001-.03-011	190,465.95
Sewer Capital Improve.	743 5448666	.03-001-.03-001	1,324.29
Revolving Check Fund		5185 - 5195	2,865.06
Total Warrants			\$839,385.64

4.) CAPITAL IMPROVEMENT PROJECT(S)

a.) Developer Extension Agreements

Mr. Gilmore presented a verbal summary to the Board of Commissioners of three Developer Extension Agreements, for their review.

The 36th Avenue Sewer Extension Project is located east of 35th Avenue and south of 116th Street SE, along 36th Avenue and two bubble cul-de-sacs stemming off 36th Avenue. This project is an existing residential neighborhood on septic system. The project is proposed by an LLC formed by property owners of eleven of the thirteen lots that will receive sewer service. The Developer Extension Agreement identifies that latecomers may be requested if the two uncommitted lot owners decide not to participate by the time construction commences. The Developer is West Evergreen Sewer, LLC.

The Woodlands Project is located on the west side of and adjacent to 35th Avenue SE, north of 128th Street if extended (current site of Wetlands and Woodlands Nursery). This project is a residential condominium project of eleven four-plex structures sharing common ground in unincorporated Snohomish County. The project will construct onsite water and sewer facilities to provide for the plans 44 proposed units. This project is being developed under a separate LLC by Sea Pac Homes. The Developer is Woodlands Dev., LLC.

The Arena Sports Mill Creek Project is located adjacent to Bothell Everett Highway north of Dumas Road (The Carvell Property). This project is a 96,000 square foot commercial building complex that will include indoor soccer fields, sporting courts, a bowling alley, and meeting rooms with restaurants and other commercial elements. The project will construct onsite water and sewer facilities. The Developer is CSA Real Estate, LLC.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed the Developer Extension Agreements for the 36th Avenue Sewer Extension, The Woodlands, and Arena Sports Mill Creek.

5.) MAINTENANCE AND OPERATION REPORT(S)

a.) Headquarter Site Improvement Update

Mr. Curran provided a verbal report to the Board of Commissioners on the Headquarter Site Improvement Project. He advised that Plans for Building and Mechanical Permits have been submitted to Snohomish County Planning and Development Services which are being reviewed. The County process will take a while. Page & Beard are currently working on plans and specs for the bid request.

b.) WASWD Spring Conference (April 12-14)

Mr. Curran reported to the Board of Commissioners on the WASWD Spring Conference that will be held April 12-14, 2017 in Yakima, WA. He requested to confirm if any Commissioner wished to attend. Following discussion, it was decided no Commissioners would attend this conference in 2017.

6.) STAFF REPORTS

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson provided a verbal report to the Board of Commissioners that the Alderwood Water and Wastewater District (AWWD) is being audited by King County regarding AWWD's monthly sewer reports. The District was also included in King County's audit process, since our report totals are combined into AWWD's. The District reviewed their monthly reports and found that the District over reported approximately \$23,500 in 2015 - 2016, mainly related to use of the reporting query for zero consumption account. King County and AWWD have been provided the data and are waiting for the completion of the AWWD to authorize the refund of the over-payment. District staff understands that AWWD has under reported approximately \$3.2 million due to an AWWD query problem.

District customers expressed their appreciation of the Districts fast response to an unauthorized reconnection of a long term shut-off. This is the first unauthorized connection of water to a long term shut-off in several years. The account has been disconnected for more than four years. The District recently received a Notice of Trustee sale in June of 2017. However, it appears the reconnection was made by new owners. The District's field staff that responded to the property were Mr. Ron Berger, Mr. Brady Osborn, and Mr. Jeff Enns. The water was disconnected and a heavy duty lock was installed. Staff will continue to monitor the account.

Independent of the King County Audit, the District was contacted by a customer reporting they received a letter from King County regarding an unpaid Sewer Capacity Charge and asked staff for the history of their connection. The customer reported that other people in his neighborhood also received the letter. Staff researched the connection and found that the District issued a Sewer Permit in July 1996, for this customer and three others, but did not file a capacity report with King County. Staff confirmed the four accounts with King County staff. In 1996, the District was paying the capacity charge from the General Facility Fee it collected. The District collected \$1,435.00 and the one-time lump sum for the King County Capacity Charge at approximately \$1,030.00. Mr. Nelson advised staff will include a check for the Board of Commissioner's review and approval for the four connections at the Board's next meeting on March 23, 2017.

c.) **Attorney:**

Mr. Milne reported on the status of certain King County Water and Sewer District's efforts to prepare for possible litigation with King County over lawfulness of its new Franchise Ordinance imposing a "rental fee" on franchisee use of right-of-way space.

d.) **General Manager:**

Mr. Curran presented a verbal summary to the Board of Commissioners of an email received regarding the passing of Commissioner Larry West. He had been a Commissioner at Soos Creek Water and Sewer District since 2013.

The General Manager requested an Executive Session to discuss matters pursuant RCW 42.30.110 (1) (i) the Department of Revenue concerning a tax assessment matter; and RCW 42.30.110 (1) (g) to discuss applicants for the General Manager position. 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 5:44 p.m., President Backstrom advised that the Executive Session would be concluded at 6:14 p.m. At 6:14 p.m. at the direction of Commissioner Backstrom, Mr. Milne announced in the District Headquarters lobby that the Executive Session would continue until 6:24 p.m. The Executive Session concluded at 6:24 p.m. and the open public meeting reconvened.

Following discussion, by motion passed unanimously, the Board of Commissioners set a Special Meeting of the Board of Commissioners for Wednesday, March 22, 2017, at 9:00 a.m., at the Silver Lake Water and Sewer District Headquarters, located at 15205 41st Avenue SE, Bothell, Washington 98012, to evaluate the qualifications of applicants for

employment with the District in Executive Session pursuant to RCW 42.110 (1) (g) and to consider all other matters pertaining to the Silver Lake Water and Sewer District.

The Commissioners directed Mr. Curran to not attend this Special Session. They directed him to have Shelley Stevens attend this Special Session.

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

This ends the Minutes of the March 9, 2017 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 March 9, 2017 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 March 23, 2017, 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 23rd day of March 2017.

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



Rod Keppler, Secretary