

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

May 11, 2017

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on May 11, 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; General Manager Curt Brees, District Engineer Rick Gilmore, 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 Backstrom called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of April 27, 2017 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	.05-001-.05-044	\$62,185.98
Sewer Maintenance	743 5418666	.05-001-.05-014	17,570.90
Sewer Capital Improve.	743 5448666	.05-001-.05-003	440,567.05
Water Capital Improve.	743 5468666	.05-001-.05-004	51,419.93
Revolving Check Fund		5317 - 5329	1,900.89
Total Warrants			\$573,644.75

b.) Staff Report – Resolution No. 738

Mr. Curran presented Resolution No. 738 adopted by the Board of Commissioners at the April 27, 2017 Board meeting for signature.

Following review of Resolution No. 738, the Board of Commissioners executed Resolution No. 738.

c.) Staff Report – First Quarter Financial Reports-March 31, 2017 (Pre-closing)

Mr. Nelson provided a verbal summary to the Board of Commissioners of a Staff report regarding First Quarter Financial Reports-March 31, 2017 (Pre-closing), for their review.

4.) CAPITAL IMPROVEMENT PROJECT(S)

a.) Developer Extension Agreement-Glacier Peak High School Sewer Relocation

Mr. Gilmore provided a verbal summary to the Board of Commissioners of a Staff report and Vicinity Map regarding a Developer Extension Agreement for the Glacier Peak High School Sewer Relocation project, for their review.

This project located at 7401-144th Place SE, is a relocation of sewer main to allow installation of two adjacent portable classrooms. No water or sewer service will be provided to the classrooms. The physical location proposed by the school district encroaches on the District's existing easement. The project will move the sewer mains to be outside the classroom envelopes and provide additional easement for the re-routed pipe. The existing pipe and easement will be retained in case the portable is removed and flow is reestablished in the District's original sewer main.

The school district requested a duplicate original Developer Extension Agreement. The Developer is Snohomish School District No. 201.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and authorized the President of the Board to execute two original Developer Extension Agreements for the Glacier Peak High School Sewer Relocation project.

b.) Headquarter Lobby Renovation Report

Mr. Curran provided a verbal summary to the Board of Commissioners of an informational Budget Letter, the proposed Preliminary Drawing, and attached Specifications of bullet-proof glass received from Gaffney Construction, regarding the Headquarter Site Lobby Renovation project, for their review.

For the modifications to the Entry Lobby at the District's Headquarter Site, the budget provided by Gaffney Construction, Inc. totals \$47,562.00. This would include:

Gaffney Labor and Supervision	\$9,500.00
Casework	7,000.00
Glass Divider Panel (Level 1-Bullet Resistant	6,300.00
Doors with Standard Locks	2,550.00
Framing, Sheetrock, and Patching	9,985.00
Floor Finishes	2,003.00
Painting	3,950.00
Subtotal	41,358.00
Gaffney Construction Fees – 15%	6,204.00
TOTAL BID-plus WA State Sales Tax	\$47,562.00

To install Level 2 Bullet Resistant Glass, Gaffney identified an additional cost of \$2,760.00. For design and architectural drawings and permit documents, Gaffney also suggested an additional allowance of \$5,000.00. The Budget Letter did not include the cost of prevailing wages, bond costs, or construction insurance.

Final keying and coring, furniture relocation and equipment moving, electrical and low voltage, and fire alarm panel relocation, are showing in the Budget as being handled by the Owner (District).

5.) MAINTENANCE AND OPERATION REPORT(S)

a.) 180th Street Lift Station Latecomers' Agreement - Assignment

Mr. Curran provided a verbal summary to the Board of Commissioners of a Staff report regarding the 180th Street Lift Station Latecomers' Agreement – Assignment, for their review.

In 2009, the District signed a Latecomers-Reimbursement Agreement with The McNaughton Group, LLC (TMG), for lift station and related infrastructure located on 180th Street and east of 35th Avenue SE. Shortly thereafter, the local housing market collapsed resulting in TMG being forced into bankruptcy. After litigation, the Bankruptcy Trustee retained the latecomers' fees as an asset of TMG, the Bankrupt. The District has paid to the trustee over time collected latecomers fees, retaining its ten percent (10%) administration fee.

Brian Holtzclaw, General Counsel for Village Life, Inc., has advised District staff that Village Life has reached an agreement in principal with the Bankruptcy Trustee for TMG to acquire TMG's interest in the remaining receivable for the latecomers' fees related to the 180th Street Lift Station. The Agreement is conditioned upon obtaining the District's consent to the assignment per Section 9.1 of the Agreement which reads "Developer shall not assign this contract without written consent of the District. Such consent shall not be unreasonably withheld".

If the District consents to the assignment to Village Life of any remaining latecomers' fee, it would retain all of its rights and obligations set forth in the Agreement. The District would remit to Village Life any future fees paid to the District for connection of property to the 180th Street Lift Station and subject to the Agreement until its ending term of October 7, 2019. The District would retain its ten percent (10%) administration fee on such payments.

District staff recommended the Board of Commissioners, by motion, direct the General Manager, Patrick Curran, to write a letter to the Bankruptcy Trustee for TMG and to Village Life consenting to the assignment of remaining receivable for the latecomers' fees related to the 180th Street Lift Station.

Following discussion, by motion passed unanimously, the Board of Commissioners directed General Manager Patrick Curran to write a letter to the Bankruptcy Trustee for TMG and to Village Life consenting to the assignment of remaining receivables of the latecomers' fees related to the 180th Street Lift Station from TMG to Village Life.

6.) INTER-AGENCY REPORTS

a.) Snohomish County Franchise Agreement Report

Mr. Curran provided a verbal report to the Board of Commissioners regarding the proposed Snohomish County Franchise Agreement. Certain terms of the County Franchise template

have been altered to provide the District with certain protections and rights similar to what Alderwood Water and Wastewater District (AWWD) negotiated with the County approximately 18 months ago. Mr. Curran advised the one remaining issue is how the District would provide adequate insurance for its possible liability for working in the County right of way.

b.) Headquarter Site Upgrade Permit Status Report

Mr. Curran provided a verbal report to the Board of Commissioners regarding the Headquarter Site Upgrade Permit status. The Stormwater Easement Agreement and the Right-of-Way Use Permit have been submitted to the County for its review. A final review of the Plans and Specs and Request for Bid documents should be finished before the end of the month. The Architect's cost estimate for the Construction phase of this Project is three million, eight hundred ninety-seven thousand, four hundred and twenty-nine dollars (\$3,897,429.00). Once done, the District will be ready to proceed with the construction phase of this Project. Staff requested the Board of Commissioners, by motion, direct staff to proceed with the Request for Bids and for the Construction phase of the Headquarter Site Upgrade Project.

Following discussion, by motion passed unanimously, the Board of Commissioners directed staff to proceed with the Request for Bids and for the Construction phase of the Headquarter Site Upgrade Project.

c.) Arnold Lind Obituary-Ronald Wastewater District

Mr. Curran presented a verbal summary to the Board of Commissioners of the Obituary for Mr. Arnold H. Lind, Commissioner of Ronald Wastewater District (1998–2017). A celebration of life will be held on Saturday, May 27, 2017, at the Edmonds Senior Center, from 1:00 – 4:00 p.m. (Open House).

7.) STAFF REPORTS

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson reported on his attendance at the AWC Labor Relations Institute Conference and the WCIA Spring Business Meeting in Yakima.

c.) Attorney:

No further report.

d.) General Manager:

Mr. Curran reported on the widespread power outage throughout the District today. All sites of the District that lost power from Snohomish County PUD continued to run on the District's backup Generators.

Mr. Curran advised the Commissioners that District Staff were going to have an all staff barbeque at noon on Friday, May 26. The Commissioners were invited to attend. The Commissioners indicated they would attend and directed General Manager Curt Brees to

advise all staff that the District office would be closed at noon for the rest of the day on May 26, 2017.

Mr. Brees advised the Commissioners that the District would host the Annual CWSA Dinner Meeting for all Commissioners, General Managers, and certain other staff of each of the three Districts starting at 6 pm on June 21, 2017.

Mr. Brees advised that the District received applications for the open District Utility Maintenance Worker II position. He indicated that a District team is scheduled to interview and test six qualified applicants on Thursday, May 18, 2017.

This ends the Minutes of the May 11, 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 May 11, 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 May 25, 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 25th day of May 2017.

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



Rod Keppler, Secretary