

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

June 22, 2017

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on June 22, 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 Curt Brees, 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 Backstrom called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of June 8, 2017 were unanimously approved as circulated.

3.) PUBLIC COMMENT

There were no comments from members of the public.

4.) 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 | .06-033-.06-075 | \$134,436.76 |
| Sewer Maintenance | 743 5418666 | .06-007-.06-022 | 203,601.37 |
| Sewer Capital Improve. | 743 5448666 | .06-001-.06-003 | 36,168.62 |
| Water Capital Improve. | 743 5468666 | .06-005-06-010 | 81,186.57 |
| Revolving Check Fund | | 5387 - 5414 | 11,212.09 |
| Total Warrants | | | \$466,605.41 |

b.) Staff Report – Phone System Statistics (IVR)

Mr. Nelson provided a verbal summary and slide show to the Board of Commissioners of a Staff report regarding phone system statistics, for their review.

On February 9, 2017, District staff were authorized to purchase a telephone statistic software package to gather information about call volumes and frequencies. The software was installed in April and has been tracking call volumes, times, call transfers, and which staff member is handling each call.

Following staffing changes that occurred in 2016, there are fewer staff members dedicated to customer service and to respond to incoming phone calls. It was anticipated that activating the Interactive Voice Response (IVR) feature of the phone system would be a

way to efficiently route incoming phone calls and reduce the workload of the staff dedicated to customer service. The District's current service standard is for a "live" staff member to answer customer telephone calls.

Mr. Nelson presented statistics from the telephone monitoring software, which indicated that approximately ninety percent of incoming calls are directed to the Customer Service staff and are not calls that could be routed by an IVR phone system to another party. As responding to the incoming calls and other customer service requests has become a challenge for the number of staff members dedicated to these tasks, staff requested to return to the Board at their meeting of July 13, 2017, with a recommendation to increase Finance Department staffing levels dedicated to Customer Service.

In addition, staff mentioned that the District's current phone system is a Toshiba and its warranty expires in 2018, and at that time Toshiba will no longer support this system. The District will need to replace the Toshiba system with a different system and in doing so, it may permit the implementation of direct dial lines which would permit a small percentage of calls to place directly to the intended party, while retaining a live staff member for all calls made to the District's general number.

5.) CAPITAL IMPROVEMENTS

a.) Headquarters Project

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report, Gray & Osborne's Review of Bids, Engineers Estimate, and Mandatory Bidder Responsibility Checklist regarding the District's New Inventory Building, Garage Addition, and TI Project (District Headquarter Improvements), for their review. The District held the Bid Opening on June 21, 2017. The project was advertised in the Seattle Daily Journal and Everett Herald. Plans, specs, addenda and other project documents were posted to the Builders Exchange of Washington.

Several contractors expressed interest in the project attending a scheduled pre-bid walk through or scheduled site walk of the facility. In total, five general contractors and nine sub-contractors or suppliers had self-registered as plan holders for the project.

Four general contractors provided a bid for the project. Petra, Inc. of Snoqualmie, WA submitted a bid totaling \$3,480,700.00 (not including sales tax). Petra has been identified as the apparent low bidder for the project. This low bid compares to the Engineers Estimate which was \$3,926,759.00 (not including sales tax).

Following discussion, it was determined that while the initial review of mandatory bidder requirements is complete and acceptable, additional time is required for the review of Petra's detailed supplements to the bid. It is anticipated that when complete and if scheduling will permit, a special Board meeting may be called so that the project contract may be awarded.

By motion passed unanimously, the Board of Commissioners approved the Bid Tab Summary allowing the results to be published while the review of the supplemental bidding submittals is completed.

b.) Construction Management Proposals

Mr. Brees provided a verbal summary to the Board of Commissioners of the two proposals for Professional Services for Contract Administration of the Headquarters Project, for their review.

Page & Beard Architect Proposal for Professional Services, Contract Administration (11 months) total fee will be \$144,868.50 includes: Architect Construction Observation Services (\$97,200.00); Structural Engineer Construction Observation Services (\$8,607.50); Mechanical Engineer Construction Observation Services (\$20,361.00); Electrical Engineer Construction Observation Services (\$13,200.00); and Landscape Architect Construction Observation Services (\$5,500.00). Estimated Reimbursable Expenses is (\$4,500.00).

Gray & Osborne's Proposal for Professional Services, total fee for Construction Administration will be not to exceed \$268,200.00 and includes: Project Management, Bid and Award Services, Contract Review, Survey, Construction Management System, Review of Submittals and Shop Drawings, Facilitate Construction Meetings, Inspections & Observation, Project Coordination and Record Drawings.

Following discussion, by two motions, passed unanimously. First, the Board of Commissioners approved and authorized the General Manager to execute an agreement for the Architect Proposal for Professional Services with a total fee of \$149,368.50. Second, the Board of Commissioners approved and authorized the General Manager to execute an agreement for Gray & Osborne's Proposal for Professional Services with a total fee of \$268,200.00.

c.) Review Project Budget

Mr. Nelson provided a verbal summary to the Board of Commissioners regarding a Project Summary-Preliminary Estimate for the Headquarters Improvements Project for their review. This most recent estimate includes all costs incurred to date, construction costs reflective of the bid results, and construction administration professional services.

6.) MAINTENANCE & OPERATIONS

a.) Staff Report – Request for Mobile Pressure Washing Equipment

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report regarding the request to purchase mobile pressure washing equipment, for their review.

Staff requested to purchase a mobile pressure washing unit to be used at the District. The primary uses for the equipment would be to wash fire hydrants before painting, clean remote sites such as lift stations and reservoirs, including cleaning the top of Reservoir No. 4, master meters, and PRV vaults. The advantage to using this equipment while cleaning fire hydrants is it has a self-contained 200 gallon water tank and a Seasonal Worker would not have to connect to a fire hydrant to use water. This eliminates the chance of stirring up water in residential neighborhoods throughout the District. This unit is mounted on a single axle trailer and can be towed with any District vehicle by any driver with a standard license.

Staff obtained three quotes and recommended purchasing a product from Seattle Pump and Equipment Co. It is the Hotsy brand "Trail Blazer" unit. All parts and service for this

product is local. The price of the unit is \$9,384.00 including tax. This price includes delivery and training for staff.

Following discussion, by motion passed unanimously, the Board of Commissioners approved the purchase of the Mobile Pressure Washing Equipment (Hotsy brand "Trail Blazer" unit) from Seattle Pump and Equipment Co., at a cost of \$9,384.00, including tax.

7.) **INTER-AGENCY REPORT(S)**

a.) **Everett Water Use Committee Meeting**

Mr. Brees provided a verbal summary to the Board of Commissioners of an Everett Water Situation Fact Sheet and Everett Water Storage Spada Elevation graph, for their review.

8.) **STAFF REPORTS**

a.) **District Engineer:**

No further report.

b.) **Finance Manager:**

Mr. Nelson, provided the Board of Commissioners with an update on the Flores case which related to payments made to employees by an employer in lieu of health care coverage being determined as taxable benefits. Mr. Nelson indicated that this recent decision by the Ninth Circuit Court does not appear to apply Contributions to an HRA VEBA plan by an employer to pay for healthcare.

c.) **Attorney:**

No further report.

d.) **General Manager:**

No further report.

The General Manager requested an Executive Session to discuss matters pursuant to RCW 42.30.110 (1) (i) regarding potential litigation with Full Bore, Inc. and Comcast. 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 6:15 p.m., Commissioner Backstrom advised that the Executive Session would be concluded at 6:25 p.m. The Commissioners, District staff, Mr. Delfel and Mr. Milne then attended the Executive Session. The Executive Session concluded at 6:25 p.m. and the open public meeting reconvened.

The Board of Commissioners, by motion passed unanimously, directed legal counsel to send a demand payment letter to Full Bore and Comcast for damages to District facilities and cost incurred for repair.

This ends the Minutes of the June 22, 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 June 22, 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 July 13, 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 13th day of July 2017.

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



Rod Keppler, Secretary