

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

July 13, 2017

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on July 13, 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 22, 2017 and special meeting of June 29, 2017 were unanimously approved as circulated.

3.) PUBLIC COMMENT

There was no members of the public present for comment at this meeting. Mr. Brees summarized comments received from a customer who had inquired about addressing the Commissioners that may be present at a future meeting.

4.) 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	.07-001-.07-058	\$172,961.97
Sewer Maintenance	743 5418666	.07-001-.07-011	494,625.64
Sewer Capital Improve.	743 5448666	.07-001-.07-001	4,132.54
Water Capital Improve.	743 5468666	.07-001-.07-004	42,428.85
Revolving Check Fund		5415 - 5453	43,095.54
Total Warrants			\$757,244.54

5.) CAPITAL IMPROVEMENT PROJECT(S)

a.) 725 Zone Extension Improvements

Mr. Gilmore presented a verbal summary to the Board of Commissioners of the 725 Zone Extension Improvements, for their consideration.

Design layout for the 725 Zone Improvements was submitted to the County for pre-design review, where the County may identify additional construction requirements according to adopted Engineering Design & Development Standards (EDDS). In this preliminary

review, County Staff identified that the District will be required to complete improvements in the intersection of Puget Park Drive SE and Snohomish Cascade Drive SE, that will at minimum require improvements to the north half of the intersection, including two ADA access ramp upgrades.

District staff next met with the County Road Engineer, Mr. Ryan Anderson, and walked the project site. Mr. Anderson indicated the 2016 update to the EDDS Standards for the County now require full width grind and overlay surface restoration for the proposed 8-inch main installation of nearly 700 LF in 146th Place. The full width restoration will then trigger requirements where the handicap ramps will be upgraded to be ADA compliant. The District's request would have been to trench patch over the main installation. Mr. Anderson did consider the condition of the road and said the District could submit a request for a deviation from the County Standard, but, should a deviation be granted, it would likely require the District's construction to occur in one-half of the paved road width. If that is done, a half width grade and overlay would be required. This would still require upgrade of curb ramps to ADA compliance for ramps touched by the overlay paving. The design budget with Gray & Osborne did not include this additional curb design element.

Staff is prepared to submit for the County Utility Road Permit for finalization of the County requirements. This application will include the deviation requests identified in the District's pre-design conference for work in Puget Park Drive and a deviation request for the work in 146th Street, based on the discussions with Mr. Anderson. The results of the request when known will add additional design costs for the handicap ramps in the Puget Park Drive north half of the intersection at Snohomish Cascade Drive, and if full width paving of 146th is required an additional six handicap ramps may require design.

To include the handicap ramp improvements in the final plans, additional survey and design will be required. Gray & Osborne has been requested to provide a cost estimate for increase to their design budget for the additional survey and design of ADA ramp facilities. Depending on the extent of the final County review, staff will present the District's request to increase Gray and Osborne's design fees to complete the field survey and inclusion of the ADA ramps in the project documents. Gray & Osborne will only survey and design for the ADA ramp improvements identified as required by the County.

Following the District's permit application and deviation request submittal, staff will request the Board consider a modification of the Gray & Osborne Scope of Services and fee limit to allow completion of the plan and specification documents.

b.) Staff Report – District Headquarters Project Update

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report regarding the District's Headquarter Site Project, for their review. Following the Special meeting held on June 29, 2017, Petra, Inc. was issued a Notice of Award, accepting their bid for the new Inventory Building, Garage Addition, and TI Project in the sum of \$3,449,056. Petra, Inc. signed and returned the document to the District indicating their intent to proceed and execute the project contract. Petra is responsible for completing and signing the Agreement, and then providing the Agreement, a Performance and Payment Bond, and the required insurance and endorsements specified in the bid documents to the

District. When these items are received and approved, the General Manager will sign the Agreement and the engineer will then issue a Notice to Proceed. It is anticipated the effective date of the Notice will be approximately August 1, 2017.

In addition to these more formal aspects of the process, District staff met informally with the project team from Petra, Inc. last Thursday, July 6, at the District office. This was an opportunity for introductions, to allow them to review the site again, and to discuss some details regarding staging and contractor work areas. It was a good preliminary discussion regarding access to the site by all parties (District staff, public, and contractor) during the different phases and areas of work. The Contractor clearly understood the District’s needs and indicated their desire to work with staff to minimize the impact of the work with respect to public and District access to the site during construction.

c.) Staff Report – 11515-36th Drive SE-Sewer Only DEA

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding a Developer Extension Agreement for 11515-36th Drive SE, Everett, for their consideration.

The project is located adjacent to and north of 116th Street SE, along 36th Drive SE. It is an existing residential lot on a septic system looking to connect by side sewer to existing sewers in 37th Avenue SE, adjacent to the east side of the referenced property. The Developers are Daniel and Dawn Jones.

Following discussion, by motion passed unanimously, the Board of Commissioners accepted and executed the Developer Extension Agreement for the property located at 11515-36th Drive SE (sewer only).

d.) Bills of Sale - Second Quarter 2017 Report

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report listing the accepted Second Quarter Bills of Sale for Developer Extension, representing \$631,460.06 of utility infrastructure added to the District by Developer contribution, for their review. Following discussion, the Board of Commissioners acknowledged acceptance of the Bills of Sale for:

PROJECT NAME	WATER	SEWER
Cowen Court	\$160,968.78	\$111,829.21
Harmony at Mill Creek	158,303.27	144,755.30
Mill Creek Sports	55,603.50	
TOTAL	\$374,875.55	\$256,584.51

6.) MAINTENANCE AND OPERATION REPORT(S)

a.) Field Crew Summer Hours Trial

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report regarding Field Crew Summer Hours Trial, for their review.

District Field Crew have requested to change the start and end time of their work day, from 8:00 a.m. – 4:30 p.m. to 7:00 a.m. – 3:30 p.m. during summer months. As a trial, the change

in working hours would start the beginning of the next pay period and go through Labor Day. If this trial is successful, in 2018 the summer working hours would begin around Memorial Day and go through Labor Day.

While testing the new working hours, during the fall and winter seasons, crews would match the office start time again. The District's On-call Duty Responder would work the same hours as office staff to cover any calls from 3:30 p.m. to 4:30 p.m. Once per month for Shutoff Day, the crews would start their days in sync with the office staff for coverage if needed.

During discussion, the Commissioners requested the General Manager verify that the proposed hours of work are consistent with Snohomish County and the City of Mill Creek hours of work and noise ordinances. The Board of Commissioners, by motion passed unanimously, approved the District Field Crew Hours Trial, changing the crew's work hours from 8:00 a.m. – 4:30 p.m. to 7:00 a.m. – 3:30 p.m., to start the beginning of the next pay period through Labor Day.

b.) Water Service Line Leak

Mr. Brees presented a verbal summary to the Board of Commissioners of a Staff report regarding a Water Service Line Leak at 13427-29th Avenue SE, Mill Creek, for their review.

On Wednesday, June 28, 2017, Utility Worker Greg Schwan responded to a service order regarding a possible leak located at 13427-29th Avenue SE, Mill Creek. Mr. Schwan noted it was a double meter at the property line and neither were leaking. The ground around the water main and yard areas were dry. The customer (Mr. Bruce Lynch) showed Mr. Schwan where water was running out of his backyard to the east, originating from his crawl space. Mr. Schwan sampled the water and the test indicated fluoride was present. Mr. Lynch emailed Mr. Ron Berger regarding the event later that evening and Mr. Berger responded to that email stating the District would be out to the site to further investigate for a possible leak the following day.

On Thursday, June 29, 2017, the District's Vactor crew arrived on site at 1:00 p.m. after finishing a prior service line project. The listening device was used and crew heard what sounded like a leak. Mr. Berger met the crew and confirmed their findings. The Vactor exposed a Blue Poly Water line located between the meter and water main that was leaking. The service line leak was repaired, the excavation site was steel sheeted for the night, and crews returned Friday, June 30, 2017 to replace two Poly Service Lines with new Copper Lines.

On Wednesday, July 5, 2017, Mr. Lynch sent the District a Claim for Damages Form relating to the water leak that was repaired. According to District Leak Detection Records, this entire area and street were surveyed for leaks by Utility Services Associates in September of 2015, where Utility Services Associates found no leaks within the vicinity of this property. The District performs 30 miles of leak detection each year, as part of the State's Water Use Efficiency Program. Staff contacted WCIA and sent them all of the information regarding this Claim.

c.) **Front Office Staffing**

Mr. Nelson provided a verbal summary to the Board of Commissioners of a Staff report regarding Front Office Staffing levels, for their review.

Staff provided two options for the Board's consideration on staffing levels at the front counter. The first would be to hire a part-time Utility Clerk 1 position. This position would typically work four hours per day except during other counter staff's leave times, then this person would be required to work an eight hour day. This option would provide additional support at the front counter and ensure two staff members at the front counter for customer and telephone support most of the day. The expected costs annually for a part-time person would be \$49,450, based on an estimate of 1,440 hours of work, which includes a prorated benefits plan based on hours worked.

The second option is to hire a full-time Utility Clerk 1. Under this scenario, there would be two staff at the front counter at all times, including daily lunches. Ms. Engbrecht's counter tasks would be reduced, enabling her to assume additional administrative responsibilities. The full-time Utility Clerk 1 would receive a regular benefits package and would be eligible for holidays and floating holidays. The total cost for hiring a full-time position for the front counter would be \$68,485, based on 2,080 hours of work, a difference of \$19,035 annually.

Following discussion, by motion passed unanimously, the Board of Commissioners approved staff to begin the hiring process and advertise for a full-time Utility Clerk 1 position.

7.) INTER-AGENCY REPORTS

a.) **PWTF Loan Extension**

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report regarding a Public Works Trust Fund (PWTF) Loan Extension, for their review.

In 2012, the Silver Lake Water and Sewer District executed a contract with the Public Works Board (PWB) for a loan to cover the District's share of the cost of the planned capacity improvements at the Everett Water Pollution Control Facility (WPCF). The awarded loan amount was \$7,810,000, which is 85% of the projected District's total obligation of \$9,190,000. The loan is beneficial to the District in that it allows the costs of these improvements to be amortized over twenty years at a below market interest rate.

When the loan was awarded in 2012, Everett's schedule to perform the improvements was more aggressive than what has actually occurred. The more aggressive timeline was reflected in the loan agreement in that the draw period on the loan was scheduled to end this August, coinciding with the original planned completion of the improvements. Everett's planned capacity improvements included capacity improvements for both the liquids and solids handling capacity of the WPCF. Due to multiple factors, Everett has proceeded with the planned improvements that focus on liquids handling capacity while delaying improvements to improve the solids handling capacity. Everett's current Capital Improvement Program projects that all of the capacity improvements included in the scope

of the PWTF loan will be completed by the end of 2022. In order to utilize the remaining loan funds to meet the District's remaining obligation, District staff were required to submit a loan extension request and attend and answer questions at the meeting of the PWB to obtain approval from the PWB for the time extension.

The District's Engineer and General Manager, working in coordination with Mukilteo Water and Wastewater District which was also awarded a PWTF Loan for its obligations at the WPCF, completed the extension request and attended the PWB meeting held on July 7, 2017. Following questioning and considerable deliberation, the PWB approved the loan extension request. The District will now be permitted to continue to draw on the loan up to the full \$7,810,000 through the end of 2022, for the remaining improvements at the WPCF.

b.) Everett Filtration Plant Operational Updates

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report regarding Everett Filtration Plant Operational Updates, for their review. Mr. Brees reported that the issue with backup power generation had since been resolved but the issues related to water taste were ongoing.

8.) STAFF REPORTS

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson reported the process for acceptance of payments has been modified so that credit cards and debit card transactions will be processed for all customers as they can be verified. This option had previously been disabled for some customers due to the frequency of returned items.

Mr. Nelson also reported the initial findings of an audit he is conducting, related to the start of contributions to PERS on behalf of District employees.

c.) Attorney:

No further report.

d.) General Manager:

Mr. Brees provided a verbal summary to the Board of Commissioners of documents received from the Department of Revenue, for their review that will be discussed at a future meeting.

Mr. Brees recognized Andrew Piekarski who is receiving a reimbursement for the completion of continuing education. Mr. Piekarski is pursuing an Associate's Degree in chemistry. Mr. Brees also recognized Ricky Gordon, who provided exceptional customer service while identifying a leak for a customer.

This ends the Minutes of the July 13, 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 July 13, 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 27, 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 27th day of July 2017.

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



Rod Keppler, Secretary