

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

December 14, 2017

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on December 14, 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, Inc.; 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 special meeting of November 21, 2017 were unanimously approved as circulated.

3.) PUBLIC COMMENT

There was no members of the public present for comment at this 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	.12-001-.12-050	\$209,165.69
Sewer Maintenance	743 5418666	.12-001-.12-018	537,075.37
Sewer Capital Improve.	743 5448666	.12-001-.12-004	92,005.44
Water Capital Improve.	743 5468666	.12-001-.12-005	350,567.19
Revolving Check Fund		5735 - 5755	59,536.27
Total Warrants			\$1,248,349.96

b.) Staff Report – 2018 Utility Rate Forecast

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report regarding the 2018 Utility Rate Forecast, for their review. The District is forecasting a pass-through water rate increase of \$.05 per CCF for 2018. The total water service revenue forecasted for 2018 is \$5,970,403. Sewer pass-through rate increases are forecasted at \$3.00 per ERU in the Everett Sewer Basin and \$.10 in the AWWD Basins. Total sewer service revenue for 2018 is forecasted at \$13,997,870.

c.) Staff Report – Resolution No. 751 – 2018 Salary Ranges for District Employees

Mr. Nelson reported to the Board of Commissioners on a Staff report regarding 2018 Salary Ranges for District employees, for their review. A 3.396% adjustment to the Salary and Wage Table is recommended by staff, reflecting the October 2016 to October 2017 CPI-W for the Seattle area. This is the inflationary index that has been used by the District to adjust wages for inflation. Other adjustments included removing three position classifications from the table that are not currently in use and adding one classification, Administrative Clerk II.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed Resolution No. 751, adopting the 2018 Salary and Wage Table.

5.) CAPITAL IMPROVEMENT PROJECT(S)

a.) Staff Report – Headquarters Project Update

Mr. Brees presented a verbal summary to the Board of Commissioners of a Staff report with attached Payment Application No. 4, regarding the District’s Headquarter Upgrade Project, for their review.

The contractor’s current focus is on completing the Storm Water Detention Vault and the footings for the New Building “A” and the addition to Building “B”. Work has started to the interior for Building “B” with roughing in plumbing, electrical, and HVAC. No change order was processed for the month of December. While there are several minor items that will have an impact on the total contract price, they have not been completed or there is not yet an agreement on a price.

Following discussion, by motion passed unanimously, the Board of Commissioners approved staff to process the payment for Pay Application No. 4 in the amount of \$162,396.64 to Petra, Inc.

b.) Staff Report – 725 Zone Expansion Project

Mr. Gilmore presented a verbal summary to the Board of Commissioners regarding a Staff report and Gray & Osborne’s Progress Pay Estimate No. 2 and a Letter of Recommendation regarding the 725 Zone Expansion project, for their review.

Laser Underground and Earthworks, Inc. completed installation of the 8-inch and 12-inch water mains. Purity and pressure testing were completed and the system improvements have been connected to the District’s pipe network. Customers were transferred to the 725 Zone the week of December 4, 2017. Four customers contacted the District with concerns about their experiences following transfer to the higher pressure, and District staff met with those customers.

A change order request for additional work associated with the tapping of the 12-inch main, provision of gravel subbase in the trench section beneath the asphalt trench patch, and the installation of an Air/vac assembly not identified in the bid items, is being discussed with Laser Underground, and will be brought to the Board when staff review is completed.

Staff requested the Board review and if in concurrence, direct staff to pay Laser Underground and Earthworks for the work performed through December 1, 2017, as identified on Pay Estimate No. 2, including sales tax and less retainage, in the amount of \$215,001.54.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Pay Estimate No. 2 and directed District staff to pay Laser Underground and Earthworks for work performed through December 1, 2017, as identified on Pay Estimate No. 2, including sales tax and less retainage, in the amount of \$215,001.54.

c.) **Staff Report – Reservoir No. 3 Improvements Project Update**

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the Reservoir No. 3 Improvements project, for their review.

Razz Construction has completed the Contract documents and a Pre-construction meeting was held on December 4, 2017. Razz Construction began mobilization to the site and their Notice to Proceed date is December 11, 2017.

Mr. Gilmore informed the Board that a disconnection fee must be paid to the PUD before they will remove the power connection to the Reservoir No. 3 site. To expedite the PUD scheduling process, staff asked that a Treasurer's check be authorized to pay the fee faster than waiting for the next Board Meeting's voucher presentation.

Following discussion, the Board of Commissioner, by motion passed unanimously, approved the use of the Treasurer's check process, and authorized the Finance Manager to issue a Treasurer's check to Snohomish PUD in the amount of \$530.00, to pay the fee required to disconnect power from the Reservoir No. 3 site.

d.) **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 the project of Gutierrez PRD, for their review.

The project is located west of 51st Avenue SE at the approximate extension of 122nd Street SE. It is a residential subdivision in unincorporated Snohomish County. This project will construct onsite water and sewer to provide service for six lots. The Developer is VG Capital, LLC.

Following discussion, by motion passed unanimously, the Board approved and executed the Developer Extension Agreement for Gutierrez PRD.

e.) **Staff Report – Front Office Security Improvements – Authorize Professional Services Agreement for Architectural Services**

Mr. Brees provided a verbal summary to the Board of a Staff report regarding Front Office Security Improvements, for their review.

On May 11th, 2017, former General Manager Patrick Curran presented a preliminary drawing and budget letter from Gaffney Construction, Inc. for improvements to the District's front office, intended to improve security by adding bullet resistant glass and other minor remodeling. However, the estimate was based on direct construction costs and did not include design, permitting, and the costs associated with prevailing wages or bonding that are required for any public work that exceeds thresholds of \$5,000 and \$35,000 respectively. The Board of Commissioners expressed concurrence with the project objectives and provided direction to staff to return with a project plan to comply with the public works and permitting requirements.

Over the past few months, a staff committee reconvened to refine the project objectives. The General Manager prepared a Scope of Work reflecting the project objectives and solicited proposals from qualified architectural firms. The Scope of Work included preparing plans, specifications, cost estimates for permitting, and construction of the planned improvements. Two firms submitted detailed proposals by the due date and the proposals have been reviewed by the General Manager and staff committee. While both firms are highly qualified with experience in the design and construction management of similar projects, the proposal submitted by David A. Clark Architects, PLLC was determined to be the preferred proposal. The submission by David A. Clark Architects is more detailed in the concepts, approach, and cost estimates to complete the District's project objectives and therefore that firm was determined by staff to be the most qualified to do the work.

Staff requested the Board direct the General Manager to execute a Professional Services Agreement with David A. Clark Architects, PLLC, based on hourly rates for their services and reimbursement of expenses; however, David A. Clark Architects presented a budget for Architectural and Engineering Services of \$11,161.84 to \$13,247.34, depending on the final design concept. They also provided an estimate for the total project, ranging between \$99,309 and \$118,656.

Following discussion, by motion passed unanimously, the Board of Commissioners directed the General Manager to execute a Professional Services Agreement with David A. Clark Architects, PLLC, based on their hourly rates for services and a "not to exceed" budget without further written District approval.

6.) MAINTENANCE AND OPERATION REPORT(S)

a.) 2018 Commissioners Workshop

Mr. Brees informed the Board of Commissioners of the upcoming WASWD 2018 Commissioner's Workshop to be held on Saturday, January 27, 2018, from 8:30 a.m. to 3:00 p.m., at the Embassy Suites Hotel in Tukwila, WA. He communicated with the Commissioners if they wished to attend this conference that he would request staff register them.

Following discussion, it was noted that Commissioner Backstrom would attend this workshop and therefor staff will register her attendance.

7.) INTER-AGENCY REPORTS

a.) Intergovernmental Cooperative Purchasing Agreement

Mr. Brees presented a verbal summary to the Board of Commissioners regarding a Staff report and Intergovernmental Cooperative Purchasing Agreement, a Hach Quotation, and draft Resolution No. 752, for their review.

During the summer of 2017, the District rented two Hach Flo-Dar Sewer Monitors from Bainbridge and Associates. This equipment was rented for approximately one month to perform a variety of tests throughout the District's sewage system. The tests conducted by District staff and Gray & Osborne gathered sewer flow data to assist in the preparation of the Wastewater Comprehensive Plan. The monthly rental costs for the two units totaled \$2,150.

It was determined during the trial/rental period that it would be beneficial to own the flow monitor equipment. The units could be used to collect data in many sewer areas throughout the District, such as the South End Interceptor, other trunk lines, and at locations that discharge to or from lift stations. In owning the equipment verses renting, District staff could measure the flows in both the winter and summer, comparing wet and dry conditions. The equipment could also be used to evaluate the discharge at sewer lift stations, checking pump performance and monitoring trunk lines to evaluate possible capacity issues in the system. It is anticipated that these flow monitors would be used on a regular basis, and when not in use for a specific study, to develop long term trends.

An inquiry was made directly to the vendor to purchase the monitors. The cost per unit, inclusive of required software and miscellaneous hardware, was approximately \$15,000. However, staff learned that earlier this year AWWD purchased 50 of the Flo-Dar units after conducting a formal Request for Proposal process (RFP), and received exclusive pricing for these units. AWWD included a provision in their RFP for other agencies to purchase equipment at the same pricing offered for the 50 units they purchased. This provision has already been used by Northshore Utility District, another water-sewer district.

Silver Lake Water and Sewer District (District) staff recommends purchasing Flo-Dar Sewer Monitoring equipment. By entering into an Intergovernmental Purchasing Agreement (ILA) with AWWD, the District can also utilize AWWD's pricing through Bainbridge and Associates for purchase of these units. The quoted price under the terms extended to AWWD would be \$14,757.50 for two units, with an additional annual fee of \$360.00 for the Verizon Data Logger service. This additional service transmits the flow data logged by the monitors via cellular transmission to the internet, allowing the monitors to be left in place while the flow data is accessed remotely.

An ILA has been drafted by AWWD staff and then reviewed and revised by District counsel. The agreement will allow the District to purchase the desired flow meters at the AWWD preferred pricing. The ILA will also allow the two districts to partner on an as-needed basis for future cooperative purchasing.

Staff requested the Board execute Resolution No. 752 authorizing the General Manager to enter into an Intergovernmental Cooperative Purchasing Agreement with the Alderwood Water & Wastewater District.

Following discussion, by motion passed unanimously, the Board of Commissioners executed Resolution No. 752 approving an Intergovernmental Cooperative Purchasing Agreement with Alderwood Water & Wastewater District.

Following discussion, by motion passed unanimously, the Board of Commissioners authorized the purchase of two Hach Flodar Flow Sensors and accessory equipment at cost of \$14,757.50 plus sales tax and the Annual fee of \$360.00, following the execution of the Purchasing agreement with the Alderwood Water & Wastewater District.

b.) Adopt 2017 Comprehensive Water System Plan with Final Revisions from Required Jurisdictions and Agencies

Mr. Brees presented a verbal summary to the Board of Commissioners of a Staff report, a draft resolution, and a summary of revisions (Gray & Osborne, Inc.), regarding the 2017 Comprehensive Water System Plan, for their review.

On April 27, 2017, the Board of Commissioners adopted the 2017 Comprehensive Water System Plan, pursuant to RCW 57.16.010 (7). The plan was submitted to all required jurisdictions and agencies for review and comment, including Snohomish County, the City of Mill Creek, Washington State Department of Health, and neighboring water systems. Snohomish County approved the Water System Plan on August 9, 2017, by Motion No. 17-268. The City of Mill Creek submitted a Consistency Determination Form on October 5, 2017, and finally the Department of Health issued a letter dated November 28, 2017 approving the Water System Plan. Reflecting recent changes in State law, the 2017 Water System Plan has been approved for a ten year period rather than six years, as was the past practice.

Staff requested the Board review the summary of revisions to the Water System Plan dated December 11, 2017, as prepared by Mr. Delfel. Also requested was the execution of draft Resolution No. 753, adopting the 2017 Comprehensive Water System Plan with the final revisions as approved by all required jurisdiction and agencies.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed Resolution No. 753, adopting the 2017 Comprehensive Waste System Plan with final revisions as approved by all required jurisdictions and agencies in accordance with RCW 57.16.010 (7).

7.) STAFF REPORTS

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson indicated that the State Auditor is now ready to schedule an Entrance Conference, tentatively to be held on Thursday, December 21, 2017. It was previously determined that Commissioner Keppler would attend the Entrance Conference and that the exact time of the meeting would be confirmed. It was also determined that Commissioner Backstrom would be a point of contact for the auditor regarding any area of focus for the auditor, at the request of the Board of Commissioners.

c.) Attorney:

Mr. Milne provided an update to the Board of Commissioners regarding the King County Ordinance that assesses rent on utilities for facilities located within the County right-of-way.

d.) General Manager:

Mr. Brees informed the Board of Commissioners of the schedule of upcoming events and the dates that the District's office would be closed during the holidays.

Mr. Brees also shared a notice received by the District from Snohomish County regarding a proposed subdivision. The Snohomish County Hearing Examiner has issued a final determination approving the development with conditions.

The General Manager requested an Executive Session to discuss matters pursuant to RCW 42.30.110 (1) (g) and (i) to review the performance of certain District public employees and to discuss potential litigation. A motion was made, seconded, and unanimously carried by the Board of Commissioners to convene to an Executive Session to discuss these matters. Before convening to the Executive Session at 6:05 p.m., Commissioner Backstrom advised that the Executive Session would be concluded at 6:25 p.m. The Executive Session concluded at 6:25 p.m. and the open public meeting reconvened.

Following discussion of various matters, by motion passed unanimously, the Commissioners authorized the General Manager to provide salary adjustments, effective December 27, 2017, for the January 2018 payroll, to individual District employees based on the Salary Range Table set forth in Resolution No. 751 and on performance, the overall local job market conditions, and the October 2017 Consumer Price Index, as well as the 2017 District Health Insurance and Benefits Plan.

Following discussion, by motion passed unanimously, the Board of Commissioners authorized the General Manager to settle the District's claim against Full Bore, Inc. as an alternative to filing suit, which has been previously authorized provided it is determined to be in the best interest of the District to do so.

This ends the Minutes of the December 14, 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 December 14, 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 December 28, 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 28th day of December 2017.

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



Rod Kepler, Secretary