

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

February 8, 2018

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on February 8, 2018, 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 Anderson called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of January 25, 2018 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There was no members of the public present for comment at the 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	.02-001-.02-037	\$35,136.58
Sewer Maintenance	743 5418666	.02-001-.02-010	38,382.64
Sewer Capital Improve.	743 5448666	.02-001-.02-004	142,641.30
Water Capital Improve.	743 5468666	.02-001-.02-006	169,957.93
Revolving Check Fund		5822 - 5832	2,110.61
Total Warrants			\$388,229.06

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 Change Order No. 3 and Payment Application No. 6, regarding the District’s Headquarter Upgrade Project, for their review. The current work occurring on the site is related to completion of the Storm Water Vault, completion of the footings in the new Building “B”, and preparation to pour the slab and preparation to pour the footings for the Building “A” addition.

Change Order No. 3 was submitted for the Board of Commissioner's review and approval. This Change Order modifies the contract documents in three ways with respect to cost. First, import material has been authorized for backfill around the Storm Water Detention Vault. Pricing for this component of the change is based on a unit price. The second additional cost is to install additional dowels to support the mezzanine in new Building "B". The provision for the dowels was not included in the bid documents. Change Order No. 3 also authorizes the spreading of some of the existing native material onsite in landscape areas which reduces the cost of the backfill around the Storm Water Vault and settles a prior claim of additional cost for export of native material.

Staff requested the Board review Pay Application No. 6 and Contract Change Order No. 3, and by motion, direct staff to process payment for Pay Application No. 6 and approve the changes to the contract and total contract amount as identified in Change Order No. 3, with the total payment to Petra, Inc., minus retainage requested in Pay Application No. 6, at \$160,735.95. The total change to the contract amount included in Change Order No. 3 is \$13,950.45.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Pay Application No. 6 and the changes to the contract and total contract amount as identified in Change Order No. 3, with the total payment to Petra, Inc., minus retainage requested in Pay Application No. 6 at \$160,735.95, acknowledging the total change to the contract amount included in Change Order No. 3 being \$13,950.45. The Board directed staff to process payment for Pay Application No. 6 (\$160,735.95) to Petra, Inc.

b.) Staff Report – 41st Avenue Water Main Relocation

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the 41st Avenue Water Main Relocation project.

Due to the construction of a new Storm Water pipe related to the District Headquarter Upgrade, a section of 12" Ductile Iron water main that was in conflict was cut out of the way for installation of a new drainage outfall within 41st Avenue. This project will re-connect the 12-inch transmission main by installation of approximately 40 feet of new 12" DI pipe, four 11 degree bends, anchor blocking, and an air/vac assembly.

This work is estimated to be under \$50,000.00 and needs to be installed prior to the final paving installation at the new entrance access to the Headquarters Building. The District's General Manager directed staff to use contractors from the MRSC roster. Staff solicited five contractors from the MSRC Small Works Roster and asked them to submit a bid for installing and reconnecting the water main located at 41st and 153rd. All five contractors expressed the willingness to provide a bid proposal and received electronic transmissions of the project plan and specifications. Staff will review the bids submitted on February 14th, 2018 and staff will report the results at the Board meeting of February 22nd, 2018.

It is the intent of staff to award the contract and direct the contractor to proceed with the work immediately following the execution of the contract documents provided the cost is as anticipated. This approach should allow completion of the work and the contractor's vacation of the work zone in advance of the Headquarters project planned paving schedule.

c.) Staff Report – 725 Zone Expansion Project Update

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report, Gray & Osborne's draft Change Order No. 1 and Letter of Recommendation, Final Progress Estimate No. 4, and draft Notice of Completion, regarding the 725 Zone Expansion project.

All project installation is now completed. A change order request (Change Order No. 1) 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 was discussed with Laser Underground. Change Order No. 1 is the result of the discussions and is agreed to by Laser Underground and, if accepted, will increase the contract amount by \$12,191.58 w/o Washington State Sales Tax.

The 725 Zone Improvements project is complete except for project closeout documentation and initiation of the process to receive State release on retainage prior to final payment of the retainage to Laser Underground. This final payment to Laser Underground, including Change Order No. 1 when retainage is paid, will total \$425,071.38. This value is \$7,328.62 less than their original bid submittal as some unit price item quantities utilized were less than estimated for the bid document preparation.

Staff requested the Board review and if in agreement, approve Change Order No. 1 to this project, and direct the General Manager to execute Change Order No. 1, and also review Pay Estimate No. 4 and by motion, direct staff to process a payment to Laser Underground and Earthworks, Inc. for work performed as identified, less retainage in the amount of \$12,837.73. Staff also requested the Board of Commissioners, by motion, accept the construction of the 725 Zone Water Main Improvements as complete and direct staff to begin the State project closeout procedures to initiate the State approval process for the release of retainage.

Following discussion, by motion passed unanimously, the Board of Commissioners (1) approved and directed the General Manager to execute Change Order No. 1, increasing the contract amount by \$12,191.58 minus Washington State Sales Tax, (2) approved Pay Estimate No. 4 and directed staff to process a payment to Laser Underground and Earthworks in the amount of \$12,837.73, less retainage, and (3) accepted as complete the construction of the project improvements.

d.) Staff Report – Reservoir No. 3 Improvements Project Update

Mr. Gilmore presented a verbal summary to the Board of Commissioners of Staff report and Gray & Osborne's Pay Estimate No. 2 and Letter of Recommendation regarding the Reservoir No. 3 Improvements Project update.

The Contractor has continued provision of submittals for approval and has progressed the site work where possible. Recently completed work included widening of the access road around the reservoir tank to improve equipment access and construction of the side sewer connection to the Everett sewer main in 23rd Avenue. Additional work was necessary to

reach the sewer main location which varied from the design plan location. The cost for this work will be presented in a future Change Order No. 1. In the excavation for the new flow meter vault, it was discovered that the existing piping configuration and fittings will require modification to allow installation of the District's flow meter to overcome constraints caused by the pipe alignment. This work is necessary and staff will include any additional costs for this work with the proposed Change Order No. 1.

Staff requested the Board review Pay Estimate No. 2 and, if approved, directed staff to process payment to RAZZ Construction for work performed as identified, in the amount of \$53,139.78.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and directed staff to process payment to RAZZ Construction for work performed as identified, in the amount of \$53,139.78.

e.) Developer Extension Agreement – Manchester North

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Developer Extension Agreement for Manchester North, for their review.

This project is located on 141st Street SE east of Seattle Hill Road. It is a residential subdivision in unincorporated Snohomish County. The project will construct on-site water and sewer to provide service for seven proposed lots. The underlying property has one single family home service by District water and an on-site septic system on an approximate one acre lot in the Plat of Thomas Lake Estates. This development is on the north side of 141st Street, across from the plat of Manchester Court, also being developed by Pacific Ridge, a division of D.R. Horton. The Developer is Pacific Ridge-DRH, LLC.

Following discussion, the Board of Commissioners approved and executed the Developer Extension Agreement for Manchester North.

6.) MAINTENANCE AND OPERATION REPORT(S):

a.) Review 2018 Conference Schedule

Mr. Brees provided a verbal summary to the Board of Commissioners regarding the 2018 Conference and Training Schedule, for their review.

Following review and discussion of the 2018 Conference and Training Schedule, the Board approved this schedule.

7.) INTER-AGENCY REPORTS:

a.) Staff Report – Codification

Mr. Brees presented a verbal summary to the Board of Commissioners of a Staff report and Codification Proposal submitted by Code Publishing Company.

The District has historically conducted its business by means of motions and resolutions. Resolutions are the more formal action used to enact rates, adopt policies, authorize agreements, and other similar actions. Resolutions typically include recitals, findings of fact, and are adopted by signature by the Board of Commissioners. The District has adopted

754 resolutions in the District's 84 year history. Motions are a less formal action used to conduct routine business of the District, such as approving a purchase or authorizing minor actions that are recommended by staff. Typically, the approval of motions is documented in the approved meeting minutes. Currently, all of the District's resolutions and all of the available meeting minutes have been indexed and scanned to a digital format. The most recent three years of meeting minutes are available on the District's website and upon occasion, District staff provides copies of resolutions upon request to the public.

Codification is a process where the consultant will edit, rearrange, and group the resolutions of the District into a numbered sequence of titles, chapters, and sections. The organization of the code will be by topic and the text will be summation of all of the approved resolutions. The text will be published on the internet and it will be indexed and searchable. During the editorial process, typos, conflicts, inconsistencies, out of date references, and obsolete provisions will be identified and corrected prior to publication.

The General Manager has experience working with Code Publishing Company, which is based in Seattle. The General Manager has requested a proposal from Code Publishing to develop a District Code for the Silver Lake Water and Sewer District, which was provided to the Commissioners for review.

Following discussion, by motion passed unanimously, the Board of Commissioners authorized the General Manager to execute an agreement with Code Publishing Company to have the District's resolutions codified. The agreement will be based on the proposal received from Code Publishing Company. The cost associated with the initial codification is \$6,500.00. The annual cost of web hosting of the completed District Code, resolutions, and minutes is \$550.00 annually, plus supplemental services and printing charges as detailed in the proposal.

8.) **STAFF REPORTS**

a.) **District Engineer:**

No further report.

b.) **Finance Manager:**

Mr. Nelson provided an update to the Board of Commissioners related to the State Auditor's Office (SAO) progress in completing the District's 2016 Audit and the scheduling of an exit conference. The exit conference will be delayed by several weeks as the local office awaits a determination from Olympia regarding how the Clearview Water Supply Agency should be reported in each individual district member's financial statements. The three Districts are in agreement; however, the SAO's position has been evolving over the years, and a final resolution is hoped for. Additionally, no finding or exit items are anticipated as a result of the Audit.

Mr. Nelson also provided an update on conversations with Gallagher, the District's HRA VEBA Administrator regarding the designation of survivors for individual accounts. There is some confusion in how survivors are designated and how they would be located based on the limited guidance and documentation. Staff is continuing work with Gallagher and hopes that the process will be improved based on feedback that is being provided.

c.) **Attorney:**

Mr. Milne provided a brief update on King County's right-of-way rental ordinance that taxes utilities for use of the public right-of-way. He reported the King County staff rule to implement the rental charge was effective January 29, 2018, but that King County had filed a lawsuit in King County Superior Court on January 25, 2018, seeking a court determination the rental charge was lawful. His office represents the twenty-one King County water-sewer districts named as defendants in the suit and will now file an answer and counter-claims seeking to invalidate the rental charge. He will keep the Board further advised.

d.) **General Manager:**

Mr. Brees informed the Board that the interviews for a Utility Maintenance Worker I were completed this week and a finalist was selected and a preliminary job offer has been extended. The finalist has experience working for municipal water utilities, holds a Commercial Driver's License, and several of the certifications that are essential for the position.

Mr. Brees also presented a quote to the Board of Commissioners to repair a truck that was damaged in an accident. The other party was at fault in the accident and the damage was to the utility body of the vehicle, not the truck cab or frame. The quote will replace the truck body and provide for all installation labor. It is anticipated that the cost, minus a \$1,000 deductible, will be reimbursed by the District's insurance carrier or other party's insurance. Following discussion, by motion passed unanimously, the Board of Commissioners authorized the purchase and installation of a replacement truck body at a cost of \$21,393 (plus Washington State Sales Tax) from Northend Truck and Equipment.

This ends the Minutes of the February 8, 2018 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

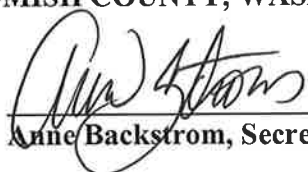
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 February 8, 2018 regular meeting of Commissioners, duly adopted at a special meeting of the Board of Commissioners of the District, held at the regular meeting place thereof on February 22, 2018, 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 22nd day of February 2018.

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



Anne Backstrom, Secretary