

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

July 12, 2018

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on July 12, 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, and 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 June 28, 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.) 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	.07-001-.07-043	\$89,427.20
Sewer Maintenance	743 5418666	.07-001-.07-007	5,912.74
Sewer Capital Improve.	743 5448666	.07-001-.07-001	205,587.59
Water Capital Improve.	743 5468666	.07-001-.07-003	617,521.64
Revolving Check Fund		6041 - 6060	2,105.76
Total Warrants			\$920,554.93

b.) Staff Report – Resolution No. 762 – On-call and Overtime Pay

Mr. Nelson presented a verbal summary to the Board of Commissioners of a Staff report and Draft Resolution No. 762 regarding On-call, Call-back, and Overtime Pay.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved and executed Resolution No. 762, relating to On-call, Call-back and Overtime Premium Pay. For the purposes of calculating overtime, approved paid time off will be included in the calculation of hours worked. Additionally, the resolution formalizes two of the District’s current pay practices: 1) defining a normal commute area with a 15 mile buffer of the District Headquarters, and 2) to continue to include an

employee's weekly on-call pay as part of their week's salary, for the purpose of calculating their overtime rate.

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 Pay Application No. 11, regarding the District's Headquarter Upgrade Project.

Work is proceeding throughout the site. Scheduled substantial completion is July 20, 2018, taking into account additional schedule time allowed to Petra, Inc. as a part of Change Order No. 6, approved on June 28, 2018. The building improvements are nearing completion. Remaining building exterior work relates to installation of trim work, snow guards, and gutters. The new fire sprinkler system is complete and electrical work is also nearing completion. Site work is progressing, with current focus on final grading prior to paving and construction of the frontage improvements, including closing off the existing street entry at 152nd Street SE. District staff have assisted by providing temporary signage, cones, barricades, and caution tape so that the public entry to the site is visible from the street and the building entry from the parking lot is separated from work areas to the extent feasible.

Pay Application No. 11 was submitted for review and approval. The total payment requested is \$437,420.40 for work completed in the month of June.

Staff requested the Board of Commissioners review Pay Application No. 11 and if in agreement by motion, direct staff to process a payment for Pay Application No. 11. The total payment to Petra, Inc., minus retainage requested, is \$437,420.40.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Application No. 11, and directed staff prepare payment to Petra, Inc., minus retainage requested, in the amount of \$437,420.40.

b.) Staff Report – Reservoir No. 3 Improvement Project Update

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and Gray & Osborne's Letter of Recommendation and Progress Pay Estimate No. 7, regarding the Reservoir No. 3 Improvements Project update.

The Contractor has solicited a painting contractor, Foss Painting, to remove the shop applied primer (applied by the metal fabricating subcontractor) from all of the stair, catwalk, and rail system components that were improperly prepared for the primer application. This work will be performed by the Contractor at no cost to the District. The same sub-contractor will apply a Tnemec-approved primer and coating system that will be compatible with the existing tank paint system and will color match the existing paint pattern. This approach will have their selected sub-contractors, Foss Painting, responsible for the exterior painting work, and Coatings Unlimited (the original coatings subcontractor) solely responsible for the tank interior stripping and recoating work.

The booster station roof truss system is installed and cross braced and the wood sheathing is scheduled to be installed this week. The metal roofing contractor will then be able to take final measurements for installation of the metal roof system.

Staff requested the Board of Commissioners review Pay Estimate No. 7 and if in concurrence by motion, direct staff to process a payment to RAZZ Construction for work performed as identified, including Washington State Sales Tax, in the amount of \$383,509.01.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 7 and directed staff to process a payment to RAZZ Construction for work performed as identified, including Washington State Sales Tax, in the amount of \$383,509.01.

c.) Staff Report – 41st Avenue Water Main Relocation Project

Mr. Gilmore provided a verbal summary to the Board of Commissioners of a Staff report and attached Gray & Osborne Letter of Recommendation, and release of Retainage Progress Payment Request No. 2, regarding the 41st Avenue Water Main Relocation Project.

Earthworks Enterprises, Inc. completed the installation of the 12-inch water main in 41st Avenue SE that was originally severed by the connection of the District's storm water facilities from the office expansion to the County storm water system. Earthworks Enterprises, Inc. was paid for the work performed and the District withheld final payment of the retained portion as required by State law until confirmation of full compliance with the State Departments of Revenue, Employment Security, and Labor and Industries.

The 41st Avenue Water Main Improvements Project is complete. All closeout documentation has been received and the State Departments of Employment Security, Labor and Industries, and Revenue have issued release on retainage letters for this project. Staff recommended the Board of Commissioners release the retainage to Earthworks Enterprises, Inc. in the amount of \$2,179.82.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Release of Retainage Progress Payment Request No. 2, and directed staff to process a payment of retained funds to Earthworks Enterprises, Inc. for work performed as identified in the amount of \$2,179.82.

d.) Staff Report – Bill of Sale – 2nd Quarter 2018

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report, Summary of Bills of Sale, and the Bill of Sale for the project of Henry Nguyen Short Plat. Construction is completed for this project and the District is in receipt of the respective Bill of Sale, transferring ownership of the sewer facilities as identified to the District. The attached spread sheet identifies the project for acceptance in the 2nd Quarter and with its acceptance the summary cumulative constructed value accepted for the year 2018. The value of the contributed facilities received this quarter is \$ 18,540.00.

With this project, the total estimated value of Developer contributed facilities accepted by Silver Lake Water and Sewer District is \$ 402,472.48 for 2018.

e.) **Staff Report – Front Office Security Improvements**

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report regarding the Front Office Security Improvements.

The Project has been advertised for bid by submitting a Call for Bids document to contractors registered on the MRSC Small Works Roster. Plans and Specifications are available electronically from the Architect or by the District. The schedule for project bidding is as follows:

1) Advertise for Bid – Submitted to Contractors on MRSC Roster	July 3, 2018
2) Hold Pre-bid Conference	July 12, 2018
3) Bids Due	July 19, 2018
4) Award Contract	July 26, 2018 (tentative)
5) Construction	August – October (tentative)

Final Plans and Specifications were provided for review immediately prior to bidding. In the event there is a need to modify any of the documents, an addendum will be issued prior to the bid due date.

6.) **INTER-AGENCY REPORT(S):**

a.) **Snohomish County Light Rail Station Area/Subarea Planning**

Mr. Brees provided a verbal summary to the Board of Commissioners of a PowerPoint Presentation Outline regarding the Snohomish County Light Rail Station Area/Subarea Planning. This is a regional planning effort that may allow additional development and increased density of development in areas just outside the District’s border but tributary to the District’s sewer system.

b.) **HRA VEBA Board of Trustees Response Letter**

Mr. Brees provided a verbal summary to the Board of Commissioners of a response letter received from the HRA VEBA Board of Trustees regarding its review of the Plan rules, policies, and procedures for the transfer of an HRA account balance following the death of a participant.

7.) **STAFF REPORTS**

a.) **District Engineer:**

No further report.

b.) **Finance Manager:**

Mr. Nelson provided updates to the Board of Commissioners regarding three topics. First, he reported that the District’s new phone system is live, and that staff is testing and troubleshooting the system. Next, he reported on topics discussed at a Human Resources forum for water and sewer districts that included HRA VEBA and the recent U.S. Supreme Court Decision regarding public sector union dues, and upcoming Washington State Paid

Family Leave rules. Finally, Mr. Nelson shared customer comments regarding the recent pass-through rate increase. Mr. Nelson reported that there were very few inquiries and most were related to the conversion of rates (from a monthly rate to a bi-monthly bill).

c.) **Attorney:**

Mr. Milne reported that the interim Executive Director for the State Association has restarted a forum for attorneys that specialize in representing water and sewer districts and he will host a meeting of the attorneys at his office the following week.

Mr. Milne also provided updates on the two cases of statewide significance currently being litigated in King County. These relate to the imposition of a rent to use King County right-of-way and an excise tax imposed on water and sewer utilities by the City of Federal Way.

d.) **General Manager:**

Mr. Brees provided two brief updates related to work currently being completed or recently completed by the field crews. This work includes the pressure washing of Reservoir No. 2, using new pressure washing equipment, safety equipment, and walkways. Staff is safely accessing the roof to perform a periodic cleaning that will extend the life of the coating system. Additionally, field crews recently completed extensive flushing in the Silver Acres area and fire flow testing in coordination with the City of Everett. Later this year, the valving configuration in this area will be changed resulting in a significant wholesale water cost savings that will be ongoing.

This ends the Minutes of the July 12, 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

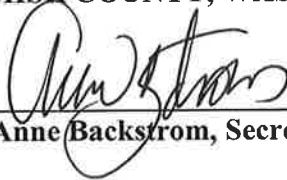
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 July 12, 2018 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 26, 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 26th day of July, 2018.

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



Anne Backstrom, Secretary