

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

August 24, 2017

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on August 24, 2017, beginning at 5:30 p.m., at the District Administration Building. Attending were Commissioners Bill Anderson (by speaker phone), Rod Keppler, and Anne Backstrom. Also present were General Manager Curt Brees and District Engineer Rick Gilmore; 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 August 10, 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:

Mr. Brees informed the Board regarding the proposed payment of an invoice from the Department of Retirements Systems (DRS). A former employee was a member of the PERS 1 retirement system and upon retirement, the District's cash-out of eligible leave above certain limits resulted in additional retirement compensation for which the District was invoiced by DRS. Following discussion, the payment to DRS in the amount of \$21,877.96 was approved unanimously.

Following discussion of various matters, the remaining vouchers and revolving fund checks were unanimously approved and signed as follows:

Fund	Code	Number	Amount
Water Maintenance	743 5408666	.08-039-.08-073	\$326,040.35
Sewer Maintenance	743 5418666	.08-013-.08-024	670,661.96
Sewer Capital Improve.	743 5448666	.08-003-.08-004	6,929.08
Water Capital Improve.	743 5468666	.08-002-.08-003	7,475.25
Revolving Check Fund		5503 - 5530	4,160.74
Total Warrants			\$1,015,267.38

b.) Staff Report – Resolution No. 744 Reimbursement Resolution Authorizing Reimbursement of Capital Expenditures

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report and draft Resolution No. 744 regarding a reimbursement resolution, authorizing reimbursement of certain capital expenditures, for their review.

The District currently has three major water projects either under construction or planned to begin construction shortly. These projects are the District’s Headquarter Upgrade, Reservoir No. 3, and the 725 Zone Expansion, with both the District’s Headquarter Upgrade (\$2.2M) and Reservoir No. 3 (\$2.97M) final budget costs being significantly higher than forecasted in the Water Comprehensive Plan.

With approximately \$6,109,000 currently available in Water Capital Reserves, staff is recommending bond financing to pay for all or a portion of the cost of the major water projects. This is because borrowing costs are still near historic lows and the existing debt from the 2009 refunding is scheduled to be retired in 2018. In order to use bond proceeds for construction expenses incurred prior to the issuance of the bonds, the District needs to adopt a reimbursement of project costs resolution. Staff advised that Resolution No. 744 only authorized the District’s ability to use future bond proceeds to reimburse project construction costs incurred prior to the bond issuance. Resolution No. 744 does not authorize the District to issue bonds or authorize payments to either Bond Counsel or the Bond Underwriter. Those actions will come before the Board in the future.

Historically, the District has used Foster Pepper, PLLC, as Bond Counsel and Seattle Northwest Securities, now Piper Jaffray, as Bond Underwriter. Staff has met with representatives from both Foster Pepper and Piper Jaffray regarding bond financing. Anticipated underwriting costs payable to Piper Jaffray are approximately \$8 per \$1,000 of issued bonds, or \$56,000 for a \$7,000,000 bond issue. To prepare an official statement and serve as Bond Counsel, the estimated costs from Foster Pepper, PLLC are estimated at \$32,900 for a \$7,000,000 issuance. Both Foster Pepper and Piper Jaffray understand that no costs are reimbursable unless the District issues bonds. Staff also provided a preliminary schedule for a November 1, 2017 bond issue.

Following discussion, by motion passed unanimously, the Board of Commissioners approved and executed Resolution No. 744, declaring its official intent to reimburse certain capital expenditures from the proceeds of a future borrowing.

5.) CAPITAL IMPROVEMENTS

a.) Staff Report - Headquarters Project Update

Mr. Brees provided a project update on the District’s New Inventory Building, Garage Addition, and TI Project (District Headquarter Improvements).

Since the last report, the first weekly Construction meeting was held between the District’s project team and Petra, Inc. While the physical work and staging is just beginning at the site, a significant amount of administrative work has occurred associated with submittals for products to be supplied by the Contractor and their subcontractors. Additionally, Petra, Inc. held a Pre-construction meeting with Snohomish County inspection staff as required by the building, site work, and right-of-way permits issued by Snohomish County.

b.) Staff Report – 725 Zone Project Update

Mr. Gilmore provided a verbal summary to the Board of Commissioners of a Staff report regarding the 725 Zone Project update.

Staff had directed Gray & Osborne (G&O) to finalize the 725 Zone Expansion project to include ADA Improvements, and G&O has submitted a deviation to Snohomish County requesting to allow a half road width overlay above the water main trench installation. The County EDDS Standards typically would require a full width overlay. The Design work has been completed for the half width design. This design would be modified to provide for full width paving and some additional ADA ramp improvements before going to bid if the County denies the District's request for a deviation.

The deviation request has not yet been reviewed by County staff. District staff is awaiting their decision and, when received, will adjust the Project's plans if necessary. Staff is asking the Board for authorization to bid the project when the plans are finalized. Staff is proposing to advertise in the Everett Herald and Daily Journal of Commerce, and with Board authorization, utilize the G&O bid solicitation posting on their website that provides the communication and distribution of plan services we would normally achieve by using Builders Exchange of Washington. However, G&O does not charge for this electronic posting. Builders Exchange is likely to download the plans from G&O and post them on their site as a service to their subscribers but not at the District's cost.

Following discussion, by motion passed unanimously, the Board of Commissioners directed staff to advertise the 725 Zone Expansion Project when finalized in the Everett Herald and Seattle Daily Journal of Commerce, with electronic posting and distribution of plans, specifications, and correspondence using the G&O Bid Document Distribution System.

c.) Staff Report – Seattle Hill Road Valve Adjustment Project

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report regarding the Seattle Hill Road Valve and Manhole Adjustment project, for their review.

The project has begun and Taylor's Excavating has already adjusted some District facilities in areas where significant cuts and fills were performed. The requirements of the County design have impacted the estimated work requirements for adjustments to grade. There are some adjustments that are more significant than as described in the project plans as the County designed road grade cuts and fills were different than the information provided to the District during project design. The District has no alternative choices because the facilities must be raised to the final project grades of the County work when completed.

Staff presented these out of scope work elements to the Board for their understanding of the proposed approach to adapt to the County created change of conditions with respect to the District's Contractor. Staff is keeping track of the manpower and materials required when the "adjustment" needs exceed the work described in the project plans. The intent is to pay all of the adjustments by unit prices where applicable and to identify the extra work items as a time and material cost that will be presented to the Board as a negotiated Change Order for Board approval prior to payment.

6.) MAINTENANCE & OPERATIONS

a) 2017 WASWD Fall Conference

Mr. Brees presented a Staff memo regarding the 2017 WASWD Fall Conference.

Following discussion, staff was directed to register General Manager Curt Brees, Commissioner Anne Backstrom, Commissioner Bill Anderson, and District Engineer Rick Gilmore to attend the 2017 WASWD Fall Conference.

b.) Staff Report – Additional Duty Response Truck Assignment

Mr. Brees presented a Staff report and attached overtime records regarding additional duty response truck assignment.

While Mr. Walt Robison was serving as the District's Facilities Manager, the District relied on him to respond to many events as a secondary call-out. This was due to Mr. Robison living close to the District and having the experience and knowledge to support staff during emergencies. Mr. Robison drove a District truck home each night and as a result was able to handle many emergencies and callouts promptly. Currently, there is no one living as close that is assigned a take home vehicle for emergency response. While Mr. Ron Berger (O&M Manager) drives a District truck home, he lives 30 minutes away (depending on traffic) and typically responds to the longer duration and larger problems and issues as needed.

Since Mr. Robison's departure, Mr. Chris Stecher (Utility Systems Lead) has taken many of the secondary call-outs, due to his close proximity to the District and his knowledge of the lift stations, water pump stations, and water and sewer callouts. Mr. Stecher lives four miles from the District's Headquarter Site.

Currently, District On-call staff drives a heavy duty 2006 F-250 truck. This vehicle is approaching 100,000 miles and will soon be scheduled for replacement to ensure dependability. By Mr. Stecher taking a larger more equipped truck home, the District could then downsize the next duty truck to be purchased at the end of this year, from a heavy loaded F-250 to a pared down half-ton truck with a fuel efficient V-6 engine, thus more than doubling the MPG (miles per gallon). Presently, Mr. Stecher drives an F-350 that has the equipment necessary to be a first responder, and could also carry the necessary Fall Protection equipment needed for lift stations, therefore allowing for the lighter duty truck traveling with the Duty responder(s).

In reviewing the overtime from this year, Mr. Stecher is relied upon for many calls and uses his personal truck to go directly to sites to access issues.

Staff proposed Chris be approved to drive his existing District vehicle home each night, to better strengthen the District's after-hours response effort. This truck would only be used during emergencies when called, and to and from work during Mr. Stecher's shift.

Following discussion, by motion passed unanimously, the Board of Commissioners approved Mr. Stecher, the District's Utility Systems Lead, to be assigned the additional Duty Response truck, to strengthen the District's after-hours response effort.

7.) **INTER-AGENCY REPORTS**

a.) **Everett Water User Group**

Mr. Brees presented Everett's Water Situation Fact sheet and Water Storage Spada Elevation and Water Demand graphs.

b.) **Water System Plan Review**

Mr. Brees presented a Staff report regarding the 2017 Comprehensive Water System Plan.

On April 27, 2017, by Resolution No. 736, the Board of Commissioners adopted the 2017 Comprehensive Water System Plan (Plan) and approved the Plan for public distribution as required by law. In the public distribution process, the District is required to submit the Plan to all required jurisdictions and agencies, including the legislative authority of Snohomish County, the legislative authority of all cities which are included, all or in part, within the District's corporate or service area boundaries, and to all state agencies with jurisdiction, including the Washington State Department of Health, for approval by those jurisdictions and agencies as provided and required by law. This process is in addition to a separate SEPA process conducted earlier in the year which provided notice to these same agencies regarding the development of the plan and SEPA compliance.

The District has recently received notice of approval by Snohomish County that the Plan has been approved via Snohomish County Council Motion 17-268. Previously, the District received an approval letter from the Snohomish Health District. The Washington State Department of Health recently returned comments to the District in a letter dated August 17, 2017. There has been no response by the other legislative authorities from which the Plan was sent to (City of Everett and City of Mill Creek).

To complete the Plan, the Department of Health comments will be addressed and the District will reach out again to both the City of Mill Creek and the City of Everett seeking an approval letter, also known as a consistency determination. If Everett or Mill Creek does not respond, the correspondence will be documented so that the process may continue without a response. The final Plan, which reflects any changes and responses to comments, will be approved once again by the Board of Commissioners prior to submission to the Department of Health.

8.) **STAFF REPORTS**

a.) **District Engineer:**

No further report.

b.) **Finance Manager:**

No report.

c.) **Attorney:**

No further report.

d.) **General Manager:**

Mr. Brees provided an update to the Board of Commissioners regarding the recruitment of a Front Count/Utility Clerk I position. The interview panel selected Ms. Van Giusti. Ms.

Giusti has accepted the position and is scheduled to begin work on August 31, 2017. She is currently employed by the Cross Valley Water District and holds a similar role with that district.

Mr. Brees also provided an update regarding the Utility Billing Coordinator, Patty Hale, who currently holds the position and has expressed her intent to retire at the end of September, 2017. Two current District employees have expressed interest in the position and will be considered prior to any outside recruitment process.

Mr. Brees also reported on a Notice dated August 13, 2017, of rescheduled open record hearing for remanded threshold determination and appeal of new mitigated determination of non-significance for the project of Bakerview, for their review. This proposal includes a plan to close and redevelop a landfill site. The District would provide water and sewer service to the project if it obtains land use development approval.

Mr. Brees reported on an article in the Esri News for Water (Summer 2017) called "Modernizing Preventative Maintenance with ArcGIS", that featured District crews maintaining sewer mains within the District. The challenge was crews using paper maps to track sewer cleaning work and having to log it into a spreadsheet. Once a year, the data was entered into the GIS system and a new map was printed. It was a manual process that was not timely and not very efficient. The solution was a Collector for ArcGIS being configured for crews to maintain current records of their work that included photos. This new system allows crews to easily see which mains and manholes are due for inspection and provides access to asset information such as pipe diameter, length, and date of the last inspection. The result has been saving the field crew hours of time by eliminating the need to bring paper reports from the field back to the office, then having to update the paper map, and update the spreadsheet. Record keeping has improved and daily work is more efficiently assigned.

Finally, Mr. Brees indicated that a Labor Day barbeque is scheduled for Friday, September 1, 2017 at Noon. The Board authorized closing the office at Noon and the dismissal of staff at the conclusion of the event.

This ends the Minutes of the August 24, 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 August 24, 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 September 14, 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 14th day of September 2017.

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



Rod Keppler, Secretary