

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

March 14, 2019

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on March 14, 2019, beginning at 5:30 p.m., at the District Administration Building. Attending were Commissioners Rod Keppler, Bill Anderson, and Anne Backstrom. Also present were General Manager Curt Brees, O&M Manager Ron Berger, 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 Keppler called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of February 28, 2019 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

No public were present for comment.

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	.03-001-.03-042	\$172,227.63
Sewer Maintenance	743 5418666	.03-001-.03-013	553,059.84
Sewer Capital Improve.	743 5448666	.03-001-.03-001	15,763.86
Water Capital Improve.	743 5468666	.03-001-.03-004	100,207.69
Revolving Check Fund		6398 - 6406	649.20
Total Warrants			\$841,908.22

5.) CAPITAL IMPROVEMENT PROJECT(S):

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

Mr. Brees, Mr. Berger, and Mr. Delfel provided a verbal summary to the Board of Commissioners of a Staff report, Gray & Osborne’s Letter of Recommendation and Progress Pay Estimate No. 15 (for work through February 28, 2019).

Since putting Booster Station No. 3 and the Reservoir online and after successfully completing the commissioning performance testing, the District has received some customer complaints over the past month identifying solvent type odors in their domestic water supply. District staff met with all of the customers that reported odors and have

confirmed the complaints are valid. The few calls (seven total) occurred over the last month with about two to three weeks between the first report and second wave of odor reports. The water was tested for volatile organic compounds (VOC). There were VOC detected but they are significantly less than the allowed levels for these compounds. Reservoir No. 3 has been taken offline and District staff discussed the issue with representatives from Tnemec, the paint supplier, why the odors were released so long after the paint coating appeared to have satisfied its curing requirements. The vendor felt the colder weather, followed by several days with the sun warming the tanks, may be a factor in causing the odor. Staff, in consultation with the Tnemec, has determined to keep the Reservoir offline, waste the water currently stored in the tank, and wait until the release of VOC from the new coating is no longer detectable before bringing the reservoir back online.

Progress Pay Estimate No. 15 and a Letter of Recommendation was prepared by Gray & Osborne (G&O) to pay RAZZ Construction for the work performed through February 28, 2019, as identified on Pay Estimate No. 15, including sales tax, in the amount of \$58,092.73. The total payment made through Pay Estimate No. 15, including Change Orders No. 1, 2, and 3, represents completion of 96% of the contracted work. RAZZ Construction has provided a Retainage Guarantee Bond.

The remaining work includes station and site clean-up, landscape plantings, and asphalt pavement placing that will be completed as soon as the weather allows.

Staff requested the Board of Commissioners review Pay Estimate No. 15 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 \$58,092.73.

Following discussion, by motion made, seconded, and passed unanimously, the Board of Commissioners approved Pay Estimate No. 15 and directed staff to process a payment to RAZZ Construction for work performed, including Washington State Sales Tax, in the amount of \$58,092.73.

b.) Staff Report – DEA Presentation

Mr. Brees presented a verbal report to the Board of Commissioners of a Staff report and attached Vicinity Map regarding a Developer Extension Agreement for Bakerview Landfill Closure.

Bakerview Landfill Closure is located at 105th Street near 43rd Avenue. This project is a request for a water main extension into the project site of the proposed Plat of Bakerview. The original DEA was accepted by the Board on August 23, 2018. This DEA will construct the water main extension, a hydrant, and a single water meter, for use onsite during the closure of the former wood waste landfill, adjacent to the proposed Plat of Bakerview. This project had a change in ownership. The new Developer is P & GE.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved and executed the Developer Extension Agreement for Bakerview Landfill Closure.

6.) MAINTENANCE AND OPERATION REPORT(S):

a.) Operations & Maintenance – Organizational Chart Updates

Mr. Brees and Mr. Berger reported to the Board of Commissioners on a Staff report regarding updates to the District's Current Organizational Chart for the Operations & Maintenance Department.

At the start of 2019, the District employed a total of thirty full-time employees and one regular part-time utility clerk. In addition to these year-round employees, there are five seasonal employees that assist in maintenance tasks or with the District's GIS/Asset Management Program.

On January 11, 2019, Mr. Jose Cervantes (Utility Worker II) separated from employment with the District to accept a position with the City of Redmond. Shortly thereafter, a recruitment process to fill the position was initiated. Prior to completing this recruitment process for a utility worker, Mr. Richard Hoffer, the District's Sr. Electrician, provided notice that he intends to retire in June of 2019. Mr. Hoffer plays a key role for the District in the maintenance and operation of the District's lift stations and booster stations, with experience in vehicle repair, generator repair, transfer switches, pumps, motors, and electrical controls. In order to backfill the skill set of Mr. Hoffer, several options have been evaluated and these needs were considered during the ongoing open recruitment process to hire a Utility Worker.

District Staff then interviewed eight qualified candidates for the Utility Worker position. Two finalists have been identified that together would fulfill the District's needs created by both the vacant position and the upcoming retirement. As a result, the General Manager and O&M Manager are recommending minor changes to the District's Organizational Chart including: the creation of a new part-time position, the reclassification of an Electrician position to that of Utility Worker, hiring two employees as Utility Workers from the current candidate pool, and supporting a current employee in the pursuit of obtaining certification as an Electrician at a future date.

The net budget impact of the proposed organizational change is anticipated to be minor, attributable to the creation of new part-time position. The number of full-time employees is to remain the same, with the cost of hiring a new employee prior to the retirement of Mr. Hoffer, offset by the vacancy that has existed since January, when Mr. Cervantes separated from service.

Following discussion, by motion made, seconded, and passed unanimously, the Board of Commissioners approved hiring the two finalist candidates. The Board also approved minor changes to the District's Organizational Chart including: the creation of a new part-time position, the reclassification of an Electrician position to that of Utility Worker, and supporting a current employee in the pursuit of obtaining certification as an Electrician at a future date. The new part-time position will not be filled until at least mid-summer.

b.) Seattle Hill Road Insertion Water Valves Project Update

Mr. Berger provided a verbal summary to the Board of Commissioners of a Staff report and photo (existing valve that was buried) regarding an update on the Seattle Hill Road Water Valve Insertion Project.

In February of 2018, the District learned of an upcoming project from WSDOT to repave SR 96 within the District. This state route bisects the District and is made up of 128th/132nd Street SE and Seattle Hill Road. The District's Comprehensive Water System Plan, adopted in 2017, includes a project for cast iron water main replacement, system looping, and operational flexibility (additional valves) along portions of Seattle Hill Road within the WSDOT Project area. This project titled "Seattle Hill Road Valves and Silver Cedars", Project D-9 was scheduled in the plan for 2020, at an estimated total cost of \$720,000. Due to the limited notification that the District received for this upcoming project, the District could not complete the full project objectives prior to WSDOT's work. However, it was determined that as the current pipeline is deficient in the number of valves for operation and isolation, and the installation of three new Hydro Stop Insertion Valves would accomplish several of the CIP project objectives and for the remainder of 2018, District staff worked to obtain project approval from WSDOT.

In January of 2019, WSDOT finally granted project approval, and on Thursday, February 28, 2019, District initiated work on the project. Crews set up on Seattle Hill Road just south of 54th Drive SE to search for a 12" Valve that was shown on an old as-built plan but was no longer accessible at the road surface. It was not known if the valve existed and had been buried or if the 1968 as-built drawing was in error. If the valve existed and was operable, this would reduce the scope of the project, reducing the number of new valves from three to two. Washington State DOT permit conditions required that crews perform this work at night, starting after 9:00 p.m. Crews located a buried valve that was paved over and was buried about two feet deep. The valve was tested and it operates well. Crews finished working by 1:00 a.m. on Friday morning.

Beginning Monday, March 11, 2019, District crews were excavating two separate locations on each side of the intersection at Seattle Hill Road and 126th Street SE for new 12" Valve Insertions. Ferguson (supplier) will be supplying the new Hydro Stop Valves and are having representatives come from Oregon to assist with the tapping. Mr. Berger reported that one of the two new valves has been installed; however, a conflict was discovered at the section location and District staff is currently working with WSDOT to determine an alternate location for the second insertion valve. Areas excavated this week will be completed and repaved on Friday. The plan is to complete all work prior to the end of the month, pending coordination with WSDOT and the supplier's schedule.

c.) Staff Report - Silver Lake Terrace Water Main Break

Mr. Berger provided a report to the Board of Commissioners on a Staff report and photo regarding the Silver Lake Terrace Water Main Break.

Mr. Berger received a call from a City of Everett supervisor on February 27, 2019, regarding a possible water main break located at 1421-122nd Street in Silver Lake Terrace. Water was coming to the surface and running through backyards and surfacing at the City

of Everett Lift Station on Silver Lake Road. District crews started looking for the leak mid-afternoon, were unsuccessful, and stopped looking for the leak until the next morning. No property damage had occurred and crews began backfilling the potholes during the cold weather.

The next day, City of Everett crews brought their leak detection equipment to the site and assisted District crews locating the leak. The leak was located in the driveway at 1421-122nd Street, and was repaired by District crews using a 6” repair band. The water line was a 6” cast iron pipe and had a circumferential crack.

Other than having to jackhammer up the driveway to make the repair, no other property damage was visible. Recently, the homeowners made contact with District staff and are stating that some settlements have developed in the backyard and driveway. WCIA Insurance has assigned an adjuster to this incident to investigate.

8.) STAFF REPORTS

a.) O&M Manager:

No further report.

b.) Finance Manager:

Mr. Nelson reported that he has been following up on several of the District’s long-term, unresolved property liens. There are currently nine to ten active liens against properties for utility charges owed to the District. Three of these date back several years. Mr. Nelson reported one lien property recently transferred ownership from an estate to an heir and the District has provided notice of the lien to the heir. The other two long-term liens were checked for signs of occupancy and water use, where one was determined not to be occupied and the other warrants additional investigation.

c.) Attorney:

Mr. Milne reported that King County litigation is finally advancing. King County filed its appellate brief with the Washington State Supreme Court on March 1, 2019. A response on behalf of the defendant water-sewer districts will be filed and then the Washington State Supreme Court will then decide whether to grant direct review or remand the appeal to the court of appeals for review.

Mr. Milne reported that the appellate brief on behalf of the three water-sewer districts impacted by the City of Federal Way excise tax issue will soon be filed. The City will then file a response and then the Washington State Supreme Court will then determine whether to grant direct review or remand the appeal to the court of appeals for review.

d.) General Manager:

Mr. Brees reviewed the schedule of the upcoming WASWD and PNWS AWWA Conferences and asked if any of the Commissioners desired to attend.

Mr. Brees reported that he will not attend the next Board of Commissioners Meeting as he will be out of town on personal business.

This ends the Minutes of the March 14, 2019 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

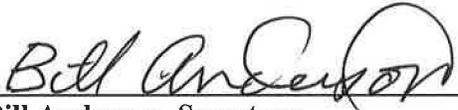
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 March 14, 2019 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 March 28, 2019, 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 March, 2019.

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


Bill Anderson, Secretary