

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

March 28, 2019

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on March 28, 2019, beginning at 5:30 p.m., at the District Administration Building. Attending were Commissioners Bill Anderson, Rod Keppler, and Anne Backstrom. Also present were District Engineer Rick Gilmore, Operations and Maintenance Manager Ron Berger, Finance Manager Brad Nelson; and Eric Delfel with Gray & Osborne, Inc., Consulting Engineer 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 March 14, 2019 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There were 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	.03-043-.03-077	\$86,579.82
Sewer Maintenance	743 5418666	.03-014-.03-020	169,512.03
Sewer Capital Improve.	743 5448666	.03-002-.03-003	64,702.46
Water Capital Improve.	743 5468666	.03-005-.03-006	1,261.21
Revolving Check Fund		6407 - 6419	38,219.27
Total Warrants			\$360,274.79

5.) CAPITAL IMPROVEMENT PROJECT(S):

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

Mr. Gilmore provided a verbal summary to the Board of Commissioners of a Staff report regarding the Reservoir No. 3 Improvement Project.

The contractor has placed the first lift of asphalt and also placed the final lift of asphalt on Wednesday, March 27, 2019. There is a small amount of landscape work to repair ruts and hydro-seeding to complete the exterior work on the Reservoir grounds. Some clean-up and concrete sealant application remains with the interior of the station and the transfer of the

O&M Manuals. It is anticipated that staff will present the Reservoir No. 3 Improvement Project to the Board of Commissioners in April for acceptance.

The recent complaints to the District of solvent odors from VOC (Volatile Organic Compounds) has caused the District to drain the suspect water from the tank, and the now empty tank will be allowed to off-gas any potential VOC to the atmosphere with the weather warming up. When no organic odors are detectable in the reservoir, District staff will wash down the floor, disinfect the tank, and reconnect the Reservoir and Booster Station No. 3 to the District's grid following successful confirmation of purity and acceptable VOC test results.

b.) Staff Reports – Developer Extension Agreements

Mr. Gilmore provided a verbal summary to the Board of Commissioners regarding two Developer Extension Agreements with attached Vicinity Maps for 1313 131st Street - Edisa Duplex and Remington Ranch.

The Edisa Duplex project is located on the north side of 131st Street SE, just east of 12th Drive SE. This project will extend an 8-inch diameter sewer perpendicular from an existing manhole on 131st Street SE into the proposed development site. The initial development is proposing the connection of two duplex structures to the project improvements. The Developer is Edisa Hasanagic.

Remington Ranch is located on the South Side of Lowell Larimer Road East of Seattle Hill Road. This is a sewer only project that will extend an 8-inch diameter sewer along Lowell-Larimer Road and within an easement to a bored sewer under Seattle Hill Road and extension into the project site. The proposed Plat of Remington Ranch will serve 59 residential lots upon completion and is in the Lowell Larimer Agreement Area with Cross Valley Water District which will provide water service to this development. The Developer is Pacific Ridge – DRH, LLC.

Following discussion, the Board of Commissioners by separate motions approved and executed the Developer Extension Agreements for the 1313 131st Street - Edisa Duplex and Remington Ranch a CVWD Service Area Sewer Extension project.

6.) MAINTENANCE AND OPERATION REPORT(S):

a.) Staff Report –Water Main Break – Andrew Sater Road

Mr. Berger provided a verbal summary to the Board of Commissioners on a Staff report and photo regarding a Water Main Break on Andrew Sater Road (Silver Acres area).

Mr. Berger received a work order on Tuesday, March 19, 2019, from District Office staff regarding a possible leak at 12114 Andrew Sater Road. Mr. Berger called the customer and stated that he would stop by on his way home to meet with him. Upon arriving onsite, Ron noticed that an area along Andrew Sater Road was wet and it appeared to be a small water service leak for a long side service that ran across the road. The customer was informed that a crew would be out on Wednesday to excavate the site and see what the issue was.

The water was contained to a small area on the right-of-way and in the customer's yard. No property damage was occurring.

On Wednesday, March 20, 2019, District crews used a Vactor truck to excavate the site. Crew found that a circumferential crack had developed in the 4" Cast Iron Water Main. This crack was in line with the Corp Stop that was for the long side service that went across the road. Crews had to shut down the 4" Water Main, remove the Corp Stop, and install a new full-circle repair band. The water service was then re-tapped and connected for the customer. Flushing occurred, and the water main was put back into service.

The District crew sheeted the excavation site and backfilled on Thursday, March 21, 2019. The water main was a 4" Cast Iron that was installed in 1956. No damage occurred at this property due to the water main break.

b.) Staff Report – Side Sewer Cross Bore

Mr. Berger provided a verbal summary to the Board of Commissioners on a Staff report and photo regarding the Side Sewer damaged by a cross bore utility installation at 12304 14th Drive SE, Everett.

On March 19, 2019, the District was scheduled to inspect a side sewer connection to an existing home that was on septic, located at 12304 14th Drive SE. This residence is located in Silver Lake Terrace.

When the District's Side Sewer Inspector, Kyle Bosman, tried to witness the water test, he noted that the water would not drain down into the 6" side sewer lateral and into the mainline sewer. Seeing the locate marks on the ground, it appeared to be some fiber lines painted in orange on the right-of-way just beyond where the customer was connected. District crews dispatched a Vactor truck and excavated the area to expose a broken side sewer pipe damaged by a cross bore with a 2" Communication Line running through the broken PVC side sewer line. An emergency locate was called in to identify the owner of the Utility.

On March 20, 2019, District crews excavated at the broken pipe site and made a repair using two 6" PVC sleeves and bedded the area with Pea Gravel. The Communication Line that broke the side sewer pipe belongs to Frontier Communications. Mr. Berger called a Frontier representative to the site to witness the break and repair. Frontier Representative John Vanway was on-site to witness the damage and repair.

An invoice totaling \$1,797.28 was sent to Frontier Communications for the repair of the damaged PVC side sewer line.

c.) Update on Seattle Hill Road Insertion Valves

Mr. Berger provided a verbal update to the Board of Commissioners regarding the Seattle Hill Road Insertion Valves project.

d.) Update on O & M Staffing

Mr. Berger provided a verbal update to the Board of Commissioners regarding O & M Staffing.

He reported that the District has extended employment offers to Jeremy Hankla and Dylan Burns. Both offers were accepted and Mr. Hankla's start date will be April 26, 2019 and Mr. Burns' start date will be April 15, 2019.

7.) INTER-AGENCY REPORTS

a.) Staff Report – CWSA Meeting

Mr. Gilmore reminded the Board of a Staff report included in their Board Packet regarding the Clearview Water Supply Agency Meeting. Commissioner Anderson who attended the meeting stated he had nothing further to add to the report.

General Manager Brees and Commissioner Anderson attended the Clearview Water Supply Agency (CWSA) Meeting held on March 20, 2019, at the Alderwood Water & Wastewater District (AWWD). The primary topics discussed at the meeting included review of Maintenance and Operations Reports, and the Financial Reports.

Mr. Dave Barnes (AWWD) reported that the rehabilitation of Pump No. 3 by DMH Industrial Electric is now complete. This was the first repair of a large fixed speed motor that typically only runs when system demand is high since the station was built. Mr. Barnes reported that over the past month, crews completed a project to install a new electrical rack at the reservoir site and repaired a pressure transducer that had frozen. Preventative maintenance by AWWD staff was completed on the station Exhaust Fans and RTD's, and the pumps were meggered.

Monetary Assets for CWSA, as of February 28, 2019, totaled \$607,239.27. The Vouchers approved at the meeting totaled \$330,718.57.

At the end of the meeting, Commissioner Schott requested that the topic of dedicated earthquake insurance be addressed at the next meeting, so if selected, the coverage can be included in the solicitation for the entire pool.

Due to the Annual WASWD Spring Conference scheduled to take place during the third week of April, the Board determined that the CWSA Board Meeting during the month of April would take place on April 24, 2019, the fourth Wednesday of the month.

b.) Staff Report – AWWD Agreement Update

Mr. Gilmore provided a verbal summary of a Staff report to the Board of Commissioners regarding potential updates to the District's Agreement with Alderwood Water & Wastewater District.

General Manager Brees and Finance Manager Nelson met with Jeff Clarke, Sridhar Krishnan, and Scott Smith of the Alderwood Water & Wastewater District (AWWD) on March 19, 2019, to discuss potential updates to the Agreement between the Districts for

sewage disposal and interim water service. The current Agreement between the Districts dates back to 2006 and has been twice amended, most recently in April of 2013.

As the Districts share a common border along the District's western and southern boundary, there has long been a need for agreements to address wheeling and treatment of sewage and interim water service for cross border service areas. The first Agreement for Sewage Disposal was in 1978 and was between the AWWD and Fircrest Sewer District, prior to the merger with Silver Lake Water District. In the late 1970's and early 1980's, the City of Mill Creek was under development and it was determined to be more efficient to provide sewer service via extensions of the AWWD Sewer System that is a tributary by gravity service to the King County System, in comparison to pumping to the City of Everett or to construct a local wastewater treatment plant. The Agreements have evolved over time to adjust to expansions of District boundaries, provisions for interim water service, and to accommodate development. As the Districts have worked more closely with each other, the fees charged to one another and the terms of service extended, have grown more favorable. The current discussions continue this trend and recognize the interdependence between the Districts to provide the most efficient service to customers.

The current discussions summarized below have progressed to where a draft agreement has been developed awaiting resolution on a few key points. It is hoped that the draft agreement will be finalized this spring, for future consideration by the Board of Commissioners.

Summary of topics to be resolved in the new agreement:

General Facilities Charges (GFC):

- Currently, all new SLWSD connections that flow to AWWD pay a full Connection Fee (\$1,800) to AWWD that is part of the SLWSD Connection Fee in addition to King County Capacity Charges.
- A portion of new AWWD connections pay a Connection Fee to SLWSD, depending on the location of the connection. Some new connections pay no fee to SLWSD.
- Recognizing that these connections result in a wheeling of sewage in short sections of gravity trunk lines rather than utilization of capacity in the entire system of an agency, a lower "agreement fee" is proposed. The "agreement fee" in discussion is \$750 per ERU, payable by either agency when connecting to the other agency's system. Each agency would collect its own GFC from the customer and then remit the "agreement fee" to the other agency.

Service Fees:

- Currently, SLWSD pays the King County Treatment Charge plus 5% of the AWWD Rate for monthly service. AWWD is to pay a portion of the O&M cost of the 180th Lift Station for some connections and 5% of the SLWSD Rate on other connections. The Everett Treatment Charge is due when applicable and no fee is charged under the Agreement on other connections, depending on the location.

- It is proposed that 5% is a good basis to be used more universally.

Cross Border Service Areas:

- Update the agreements to reflect existing conditions.
- Develop criteria and terms of service for future cross border service areas. Charges paid to the other District would be at wholesale rates ensuring service is not provided to customers at a loss.

Future Capacity Constraints:

- Current agreements stipulate that when capacity is constrained, the other District will cease adding new connections upon notification and the receiving agency will prioritize up sizing.
- Evaluating options to share the cost of upsizing, based on capacity utilization.
- Evaluating transfer of ownership of some lines to AWWD from SLWSD consistent with intent of original agreements. AWWD would then be responsible for the cost of upsizing and SLWSD capacity would be assured.

8.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore presented a verbal summary to the Board of Commissioners of the email report that was provided by Mr. John Milne (absent) regarding an update of on-going King County litigation that may have future impacts on the District. This information was not included in the Board packet but was presented to the Board of Commissioners for their information and identified a potential schedule for future Court actions.

b.) Finance Manager:

Mr. Nelson identified to the Board of Commissioners that an invoice for Permit Fees for the Waldenwood Lift Station Improvements Project that requires payment prior to plan review was submitted to the District after the Board packets were prepared. To prevent permit review delays, Mr. Nelson asked the Board to consider directing staff to issue a check for payment of the invoice in the amount of \$10,816.25, instead of presenting the invoice for payment at the next regular scheduled Board Meeting.

Following discussion, the Board of Commissioners by motion made, seconded, and passed unanimously, directed staff to expedite payment of the Snohomish County Permit Fees for plan review of the Waldenwood Lift Station Improvements Project.

Mr. Nelson also provided a verbal report to the Board of Commissioners of information he had received concerning a MED VEBA modification of the "limited benefits" form.

Mr. Nelson reported that the results of the recent audit of District records will be presented by Mr. Dave Hoagland of CliftonLarsonAllen at a May Board meeting and the District will

be able to complete any modifications required and submit to the State of Washington prior to the May deadline for audit submittal.

Finally, Mr. Nelson reported that staff has been informed that anticipated pass-through water and sewer rates from the City of Everett are higher than estimated rate increases provided last October, and that the Alderwood Water & Wastewater District's pass-through water rate increase is also higher than the estimate previously provided. Mr. Nelson informed the Board that staff will prepare a written report detailing the revised pass-through rates to be presented to the Board at an upcoming April Board Meeting.

c.) Attorney:

No report.

d.) General Manager:

No report.

This ends the Minutes of the March 28, 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 28, 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 April 11, 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 11th day of April, 2019.

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

 FOR BILL
ANDERSON

Bill Anderson, Secretary