

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

May 9, 2019

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on May 9, 2019, beginning at 5:30 p.m., at the District Administration Building. Attending were Commissioners Rod Keppler, Bill Anderson, and Anne Backstrom (by speaker phone). Also present were General Manager Curt Brees, District Engineer Rick Gilmore, 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. One member of the public was also in attendance at the meeting.

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 April 25, 2019 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

No members of the public requested to provide 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	.05-001-.05-040	\$153,310.74
Sewer Maintenance	743 5418666	.05-001-.05-010	10,958.94
Water Capital Improve.	743 5468666	.05-001-.05-002	21,320.41
Revolving Check Fund		6460 - 6472	36,817.05
Total Warrants			\$222,407.14

b.) Update on Scope of Work & Professional Services Agreement for Rate Study

Mr. Nelson provided a verbal update to the Board of Commissioners on the development of a Scope of Work and Professional Services Agreement for a Rate Study. The scope of work proposed with the consultant has expanded to three hundred hours. The initial cost estimate was for two hundred hours. With this revision in scope, the corresponding fee will still be the lowest compared to cost proposals provided by the other respondents to the RFP. Additionally, the schedule has been amended to complete the study by early fall, where the initial plan was to complete the work this summer.

Following discussion, the Board of Commissioners authorized and directed the General Manager to execute a contract reflecting the revised Scope of Work and Schedule for the District's 2019 Water and Sewer Utility Rate and GFC Study with Katy Isaksen & Associates.

5.) CAPITAL IMPROVEMENT PROJECT(S):

a.) Update on Waldenwood Lift Station – Bid Schedule

Mr. Gilmore provided a verbal update to the Board of Commissioners on the Waldenwood Lift Station Bid Schedule. It was shared that Snohomish County permits are forthcoming with no major revisions. The project will be advertised for bid on Monday, May 13, 2019. Project bids will be due on Thursday, May 30, 2019.

b.) Staff Report – Front Office Security Improvements

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

In February, following the Contractor's submission of prevailing wage affidavits, the Notice of Completion was completed by staff and sent to the Department of Labor and Industries (L&I), the Employment Security Department (ESD), and the Department of Revenue (DOR) for review and authorization to release retainage.

L&I and ESD have already authorized release. When the final release from DOR is issued, retainage in the amount of \$10,267.20 will be processed for payment and the project will be accepted as complete.

c.) Staff Report – Developer Extension Agreement (Pending CVWD)

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report and Project Site Map regarding a Developer Extension Agreement (Brasswood Sewer Extension) pending Cross Valley Water District (CVWD) approval.

The proposed project is in the Lowell Larimer Service Area of Cross Valley Water District and will be a sewer only DEA. The proposed project intends to serve 60 single family home building lots. The Developer is affiliated with Conner Homes. The Developer has submitted a completed Cross Valley Service Area DEA for their proposed project.

Significant improvements to be included in this DEA are a sewer lift station serving the plat and sized to meet the basin service area, as shown in SLWSD's Comprehensive Sewer Plan. The station will convey flow to the "Sector 7" Lift Station by force main in road right-of-way and on easements as required.

The Lowell Larimer Service Area Agreement allows for the SLWSD to accept a Developer Extension Application for consideration after Cross Valley Water District informs SLWSD that the conditions for water extension are in place and acceptable to Cross Valley Water District. This condition has not yet been acknowledged as confirmed by Cross Valley Water District and the agenda item was presented to the Board as informational only at this time.

6.) MAINTENANCE AND OPERATION REPORT(S):

a.) Update on O&M Staffing

Mr. Berger provided a verbal update to the Board of Commissioners regarding Operations & Maintenance staffing. Mr. Berger shared that three O&M team members have received merit adjustments upon the successful completion of six months in their current roles. These employees were not considered for merit adjustments effective January 1, 2019, as they had been recently promoted to their positions. Additionally, Mr. Berger reported that Lance Rhodes has been promoted to a Utility Worker II position. Lance was hired at the start of 2018 as a Utility Worker I.

b.) Update on Reservoir No. 3 Operations

Mr. Berger provided a verbal update to the Board of Commissioners on Reservoir No. 3 Operations. District crews cleaned and disinfected the reservoir and began filling the Reservoir the week of April 29 - May 3, 2019. However, water sampling has again indicated that Volatile Organic Compounds (VOC) were elevated, due to the presence of paint solvents. This was not expected given the extended period of time that was allowed for curing and ventilation, following the completion of the initial painting and repair work to interior coating surfaces. Tnemec, the manufacturer of the coating system, has been contacted and will conduct a site visit as soon as possible to determine the cause.

c.) Staff Report – Service Line Leaks – Plat of Evergreen Glade

Mr. Berger provided a summary to the Board of Commissioners of a Staff report regarding Service Line Leaks in the Plat of Evergreen Glade, at 13427-29th Avenue SE, Mill Creek.

Mr. Berger received an email from a homeowner located at 13427 29th Avenue SE regarding a possible leak. The homeowner, Mr. Bruce Lynch, experienced a leak in 2017 when the blue poly water line to his property was leaking and not surfacing, with water flowing through his crawl space. During that event, District crews replaced Mr. Lynch's service line, and his neighbors' service lines, with all new copper service lines. WCIA paid a claim to Mr. Lynch related to clean up of his crawl space after finding that the water originated from the District's maintained portion of the service line to the property. Mr. Lynch reported to the adjuster that drainage had been an ongoing issue at the property independent of the service line leak. WCIA also noted that the District was not negligent, that it had proactively surveyed the neighborhood for leaks in 2015.

In March of 2019, it was brought to the attention of District staff that discharge water was again running out a 4" PVC Drain Pipe connected to the crawl space of Mr. Lynch's property running to the east of his property. Mr. Lynch has a series of drainage pipes in his crawl space in case of any water issues. Mr. Bill Kuhlman (Water Quality Coordinator) responded to an inquiry from Mr. Lynch on March 19, 2019, and tested the water that was discharging to the east of his property. Mr. Kuhlman did not detect any chlorine or fluoride when these tests were conducted and assessed that it was most likely ground water. On April 8, 2019, Mr. Lynch hired a pool company (Bio Guard) to test the water and they detected a small amount of chlorine present in the water.

In response to an email that was received from Mr. Lynch on Friday, April 12, 2019, District staff responded to the site. On Monday, April 15, 2019, Mr. Brady Osborn

(Maintenance Lead), Mr. Tom Gaffney (Operations Lead), and Mr. Berger responded to the site and tried to locate a possible leak. Mr. Berger went into the crawl space and noted that the amount of water correlated to the amount of water that was flowing out of the discharge pipe located east of the property. Using leak detection equipment, District crews began potholing some areas such as a double water service that runs west of the property located at 13427 29th Avenue SE. Mr. Andrew Piekarski (Water Quality Coordinator) came out and tested the water. He concluded that there was a trace of chlorine in the water as well as fluoride present this time.

On April 16, 2019, District crews began potholing on 29th Avenue SE to look for the leak that was not coming to the surface. Using the District's leak detection equipment, crews began closest to Mr. Lynch's residence trying to detect a leak. Crews were unsuccessful trying to locate the leak after two days of potholing. Mr. Berger then contacted Alderwood Water & Wastewater District (AWWD), who has been utilizing new Gutermann branded Leak Detection Equipment, and they were willing to come over and assist with leak detection. AWWD deployed their equipment on April 18, 2019, and the next day crews were repairing the service leak that was detected. The leak was a small crack in the blue poly service line and was leaking at an estimated rate of 1 gallon per minute. The source of the leak was a service line serving a home on the opposite side of the street, three lots north of Mr. Lynch. Indicating that subsurface, the leaked water was flowing within a natural drainage pattern that moves through Mr. Lynch's property.

Over the course of the next two weeks, District crews proactively replaced 10 additional blue poly lines with copper in the vicinity of Mr. Lynch's residence. Crews left the water main taps exposed and performed a water main shutdown to remove 12 old style Corp Stops and replace with new District Standard Ball Valves so that all material is new and the future chance of leaks will be lessened.

Backfill and cleanup of 29th Avenue SE has begun and was completed on May 7, 2019. The water that was flowing into Mr. Lynch's crawl space has stopped and the pipe that was free flowing to the east of his property is now dry. No property damage was observed during this leak event.

Proactively, District staff has contacted the Gutermann Leak Detection Representative and a tentative meeting is set up towards the end of June for a discussion and demonstration of their leak detection equipment. The Gutermann Leak Detection Equipment is now used by the City of Everett, AWWD, Northshore Utility District, and others in the District's area that are interested in their products. With the addition of updated leak detection equipment, the District plans to do continuous leak detection, moving the equipment on a weekly basis.

7.) **INTER-AGENCY REPORTS**

a.) **EWUC and Wholesale Sewer Meeting Report**

Mr. Brees reported that he and Mr. Gilmore attended the Everett Water User Committee (EWUC) Meeting held on April 25, 2019. The meeting topics included: a report by the Department of Health, overview of the water supply situation, brief updates on CIP projects, and an update on a maintenance project affecting the Transmission Line 5 completed that day.

Ms. Erika Lindsey, with the Department of Health, provided an extensive presentation to the group regarding coliform monitoring plans and E. coli response plans. In the presentation, Ms. Lindsey detailed updated coliform monitoring requirements and response plans and highlighted lessons learned from recent incidents.

With respect to the water supply, it was reported that levels are a bit lower than normal in both reservoirs; however, there is still snow pack in the watershed and the water supply is projected to be adequate for 2019.

City of Everett staff provided brief updates on several projects including: the status of the Everett project to replace Reservoir No. 2, the Water Filtration Plant, updates on the project to build a pump station to replace an existing standpipe is underway and planning to replace existing generators and switch gear were reported on, and finally, there was a report on the status of the investigation of the roof collapse that occurred in February atop one of the two clear wells. It is apparent that the liability for investigation and repairs has not been established between the City and the design build contractor that constructed the roof. There are two clear wells at the Water Filtration Plant for redundancy, and the plant can operate for an extended period with just one clear well in service.

A brief after action report was provided by City of Everett staff on the maintenance project to replace leaking gaskets on Transmission Line 5. City of Everett staff received recognition for how the project was completed ahead of schedule and on the extensive project communication to all of the wholesale customers.

At the conclusion of the EWUC Meeting, City of Everett staff convened a meeting with wholesale sewer customers, which included staff from Mukilteo Water and Wastewater and the Alderwood Water & Wastewater Districts, in addition to District staff. City staff reviewed progress on projects being constructed at the Wastewater Plant and forecasted spending through the middle of 2020. The forecast includes a large project to construct a final effluent pump upgrade and a chlorine disinfection building. The District is allocating costs from this project to the 2013 PWTF loan. The CIP forecast also projects future expenses for the purchase of property for bio solids disposal that the District contends is not a Capital Project, according to the terms of the agreement between the City and the District.

b.) CWSA Meeting Report

Mr. Brees provided a verbal summary to the Board of Commissioners of a Staff report regarding the Clearview Water Supply Agency (CWSA) Meeting.

Mr. Brees and Commissioner Anderson attended the Clearview Water Supply Agency (CWSA) Meeting held on April 24, 2019, at the Alderwood Water & Wastewater District (AWWD). The primary topics discussed at the meeting included: review of Maintenance and Operations Reports, Earthquake Insurance, and the Financial Reports.

AWWD M&O Director, Dave Barnes, provided a verbal summary of a one-page Monthly Operations Report. He noted that there was not an emergency call-out response required

at the CWSA Pump Station during the past month. He added that the most recent emergency call-out response at the pump station took place on December 14, 2018, following a temporary power outage. Mr. Barnes reported that the electrical rack extension and cover were completed during March. He added that AWWD staff still needs to finish the communication connections for each agency to complete the project. Mr. Barnes stated that staff performed the annual servicing of the check valves and the semi-annual exercising of the suction and discharge valves. He reported that the valve actuator on P-300 was leaking hydraulic fluid, prompting staff to order the necessary repair parts for a future rebuild. Mr. Barnes reported that the standby generator for the pump station had been exercised under load during the past month.

AWWD Administrative Services Department Manager, Mike Pivec, reviewed the previous discussions regarding earthquake insurance, including a presentation by WSRMP Executive Director, Cary Ecker, who estimated that CWSA could purchase an additional \$5 million worth of dedicated earthquake insurance for approximately \$15k on an annual basis. Discussion ensued among the Commissioners about the potential exposure to earthquake damage of the CWSA's insured assets at the Pump Station and Reservoir, noting that the WSRMP provides \$75 million in earthquake insurance, and two pool members (AWWD and Sammamish Plateau Water) provide an additional \$35 million in coverage in the event that they do not use it following an earthquake. The three CWSA Commissioners agreed to brief their respective District Boards about the potential for CWSA to purchase additional earthquake insurance, and report back to the CWSA Board during a future meeting.

Monetary Assets for CWSA, as of March 31, 2019, totaled \$607,661.75. The Vouchers approved at the meeting totaled \$362,277.93.

The next meeting of the CWSA is scheduled for Wednesday, May 15, 2019. The 2019 Annual CWSA Dinner Meeting has been scheduled for Wednesday, June 19, 2019, at 6 p.m. Alderwood Water & Wastewater District is the host for 2019.

c.) PUD Letter – Planet Power Grant

Mr. Brees reported on a letter received from PUD regarding the District's application for a 2019 Planet Power Grant. Unfortunately PUD was unable to fund the District's project.

d.) WASWD – End of 2019 Session Legislative Report

Mr. Brees reported on the current Legislative session. Some of the topics were Public Works Trust Fund, Small District Commissioner Health Care, and Unit Price Contracting Authority.

8.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore reported that he is very pleased with the final plans for the Waldenwood Lift Station, noting that it will be a much more capable facility using a different design that incorporates horizontal pumps.

b.) Finance Manager:

Mr. Nelson is in receipt of the Draft Financial Statements for 2018. The presentation of the Financial Statements is scheduled for May 23, 2019.

Mr. Nelson also shared that he has been scheduled for a phone interview for an open position on the HRA Veba Board of Trustees.

Mr. Nelson reported on some follow-up correspondence with seller's agent and Escrow Company regarding a property that has sold that was determined to have constructed an Accessory Dwelling Unit. The parties recognized the District's notice of connection fees due and it appears that the payment will be forthcoming.

Mr. Nelson reported that he has completed his initial review of the City of Everett Sewer Rate adjustment. He has requested clarification and documentation of several items from the City of Everett in order to complete the review.

Mr. Nelson reported that at the AWC Labor Management Conference one of the primary topics discussed was the rules in development for the State's Paid Leave Program. The program began collecting premiums in 2019 and benefits will be available to workers in 2020. It is feared that the draft rules will be very complicated related to coordination to existing employer-sponsored paid leave programs.

c.) Attorney:

Mr. Milne provided a brief review of the litigation between King County and Water and Sewer Districts regarding rent of the right-of-way. The Washington State Supreme Court has granted direct review of the appeal by King County. It is likely that the case will be heard this fall. Mr. Milne reported that several amicus briefs are expected that will support the Superior Court's ruling in favor of Water and Sewer Districts.

d.) General Manager:

Mr. Brees reported that he is currently reviewing the second draft of the District's Code that was provided to him last week by Code Publishing. This second draft appears to have corrected all known issues with the first draft and it is anticipated that the Code will be ready for review and then adoption by the Board of Commissioners early this summer.

Mr. Brees also reported that Mr. Berger and the field leads will be attending a Table Top Exercise for disaster response, hosted by the Alderwood Water & Wastewater District next week.

This ends the Minutes of the May 9, 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 May 9, 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 May 23, 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 23rd day of May, 2019.

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


Bill Anderson, Secretary