

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

June 27, 2019

The regular meeting of the Board of Commissioners of the Silver Lake Water and Sewer District was held on June 27, 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 General Manager Curt Brees, District Engineer Rick Gilmore, O&M Manager Ron Berger, and Finance Manager Brad Nelson; Eric Delfel with Gray & Osborne, Inc., Consulting Engineer for the District; and John Milne with Inslee, Best, Doezie, & 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 special meeting of June 6, 2019 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There were no comments from the public in attendance.

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	.06-037 -.06-085	\$281,723.31
Sewer Maintenance	743 5418666	.06-009 -.06-023	745,131.81
Sewer Capital Improve.	743 5448666	.06-007 -.06-008	79,454.98
Water Capital Improve.	743 5468666	.06-006 -.06-010	364,543.26
Revolving Check Fund		6525 - 6585	65,628.10
Total Warrants			\$1,536,481.46

5.) CAPITAL IMPROVEMENT PROJECT(S):

a.) Staff Report – Waldenwood Lift Station - Project Budget

Mr. Brees provided a summary to the Board of Commissioners of a Staff report regarding the Waldenwood Lift Station Project Budget.

The Waldenwood Lift Station Replacement Project Bid Opening was held on Thursday, May 30, 2019. The bids received exceeded the Engineers Preliminary Construction Cost Estimate. On June 6, 2019, the Board of Commissioners evaluated the bids and awarded the project to McClure and Sons, Inc. of Mill Creek, WA. In addition, the Board of

Commissioners approved an additional Scope of Work in the amount of \$349,500 for Construction Management to Gray & Osborne. This brings the total approved contract for Gray & Osborne to \$618,500 for the Waldenwood Lift Station Replacement Project. In addition to these costs, the District has incurred legal, bid advertising, and permitting costs for design and permitting for this project.

The District tracks spending on Capital Projects by Project Summary Reports provided each quarter for the District's major projects. Also provided was a Project Summary Report with the approved contract amount and a 5% contingency. The total expected costs for the project, excluding the \$208,025 in contingency, is \$4,840,340.

In the coming months, staff will present to the Board of Commissioners an updated process for tracking spending on Capital Projects that reflects recommended changes suggested by the State Auditor's Office, which will align more with the practices of other governmental agencies. The intent is that there will be a clear accounting of spending on projects that tracks back to the authority provided by the Board of Commissioners.

Staff requested the Board review the proposed Project Budget for the Waldenwood Lift Station Replacement Project and if in concurrence, approve by motion.

Following discussion, by motion made, seconded, and passed unanimously, the Board of Commissioners approved the Project Budget for the Waldenwood Lift Station Replacement Project in the amount of \$4,840,340.

b.) Staff Report – Windsong Abandonment – Design Proposal

Mr. Gilmore provided a summary to the Board of Commissioners regarding the Windsong Lift Station Abandonment Design Proposal.

The District identified conceptual improvements for the Waldenwood Lift Station and the abandonment of the Windsong Terrace Lift Station in the recent Comprehensive Sewer Plan Update. Staff had requested, and was authorized, to perform a pre-design study of the Waldenwood Lift Station improvements including an evaluation of the potential to abandon the Windsong Terrace Lift Station and serve this basin by gravity to the Waldenwood Basin. The work identified for the Waldenwood Lift Station was advanced and a contract is being prepared for construction of the identified improvements. The Pre-design Study supported the elimination of the Windsong Terrace Lift Station but recommended delaying the abandonment of this Lift Station until the Waldenwood Lift Station improvements were constructed. Staff is now recommending to begin the design of the project to abandon the Windsong Terrace Lift Station.

The work elements include design of approximately 650 LF of gravity main and manholes to tie the Windsong Terrace Basins sewer main to the existing gravity sewer main in the Waldenwood Lift Station Basin at 45th Avenue SE. It is the intent to utilize existing easements and regrade sewers to achieve the continuous gravity profile necessary to convey flows from the abandoned Windsong Terrace Lift Station site to the existing sewer main.

Gray & Osborne, at the District's request, provided a Scope of Work and Fee Proposal to provide design and bid assistance services, in an amount not-to-exceed \$48,531.00 without prior written authorization by the District. They also provided a preliminary constructed Project Cost Estimate. This preliminary estimate for the identified improvements, included a 20 percent construction cost contingency, construction management, permitting, Washington State Sales Tax, and is estimated by Gray & Osborne to be \$536,176.00. Gray & Osborne will submit a separate proposal for Construction Management when the project is advertised for bids.

Staff requested the Board of Commissioners review the Gray & Osborne Scope of Work for the services identified to design, develop bid documents, and to assist in the bid process for the abandonment of the Windsong Terrace Lift Station. If in agreement, the Board of Commissioners was asked by motion, to accept their proposal to perform these services for a fee amount not-to-exceed \$48,531.00, without prior District written authorization.

Following discussion, by motion made, seconded, and passed unanimously, the Board of Commissioners approved the Gray & Osborne Scope of Work and Fee Proposal for the services identified for design, bid document development, and to assist in the bid process for the abandonment of the Windsong Terrace Lift Station in an amount not-to-exceed \$48,531.00, without prior District written authorization.

c.) Developer Extension Agreements

Mr. Gilmore provided a verbal summary to the Board of Commissioners for three Staff reports regarding Developer Extension Agreements and attached Vicinity Maps.

Fahim Short Plat is located at 3026-116th Street SE. It is a six lot subdivision of an existing lot fronting on the south side of 116th Street SE. The development is proposed to serve six new sewer connections and five new water connections. The Developer is STF Construction.

Ambleside SDFU Offsite Sewer is located east of 25th Avenue SE and south of Ruggs Lake on extension from 128th Street SE (on easement). This project will serve a residential subdivision of 52 lots called Ambleside, which will be presented under a separate DEA. This offsite DEA was submitted with the potential to apply for latecomers for the sewer extension to the future 52 lot project. The Developer is Prospect Development, LLC.

Creekside West is located at 13407-35th Avenue SE. This project is a subdivision of an existing Lot No. 26 and Tract 993 of the plat of Creekside Place. The project is fronting on the east side of 35th Avenue SE, south of the proposed Farm at Mill Creek project and adjacent to the north side of the Pacific Topsoil operations. The development will serve 10 new water and sewer connections. The Developer is an LLC of the Village Life Development Company (Creekside West, LLC).

Following discussion, by separate motions made, seconded, and passed unanimously, the Board of Commissioners approved the Developer Extension Agreements for Fahim Short Plat, Ambleside SDFU Offsite Sewer, and Creekside West.

6.) MAINTENANCE AND OPERATION REPORT(S):

a.) Reservoir No. 3 Update

Mr. Berger provided a verbal report to the Board of Commissioners regarding updates on Reservoir No. 3 Operations, where he detailed the sampling conducted by District staff on the Reservoir inlet piping. Follow up sampling for VOCs (volatile organic compounds) was conducted at four points beginning at the distribution system and ending at the inlet pipe to the reservoir. The results of the sampling indicate that the source of the VOCs appears to be located between the altitude valve and the Tideflex inlet pipe. The District will be coordinating with Razz Construction to access the Tideflex inlet pipe and other piping between the inlet and the altitude valve for further inspection and testing.

b.) Staff Report – Seattle Hill Road Insertion Valves and Water Line Apparatus Replacements

Mr. Berger provided a summary to the Board of Commissioners on a Staff report regarding SR 96 Seattle Hill Road Valve Insertion and Additional Work Completion with attached project photos.

After a lengthy delay by WSDOT to obtain Right-of-Way Permits, District crews have completed the Seattle Hill Road/SR 96 work. This Valve Insertion Project began in late February of 2019 and crews finished final paving on Friday, June 21, 2019. The scope of the project changed to include a Fire Hydrant and Air Vac replacement and upgrade. The following is a summary of the completed tasks that were done by District crews:

1. Located and raised a 12” Inline Gate Valve at 54th Avenue that had been buried by previous road construction and was lost. This valve is still functional and was recently used to isolate a section of the Seattle Hill Road water main when crews replaced an old Air Vac.
2. Excavated and installed two new 12” Insertion Valves on each side of Silver Cedars (126th/Seattle Hill Road). These two Valves were tapped by Ferguson Water Works.
3. Updated a 1968 Fire Hydrant with a new hydrant, Storz Adaptor, and restraint system. The Hydrant Gate Valve was buried, raised to grade, and updated.
4. Updated a 1968 Air Vac Assembly. Upon excavation and exposing the 2” Galvanized Piping for the Air Vac, the pipe was in poor condition and developed a small leak during its replacement. The old 2” Gate Valve was also buried.

All of the large excavation sites were backfilled using WSDOT specified Controlled Density Backfill (CDF) and paved with up to a 10” depth of asphalt in the roadways.

c.) Customer Correspondence Regarding Service Fees

Mr. Nelson provided a verbal summary of email correspondence between him and a District customer regarding Billing Service Fees associated with a property sale and closing

an account. In the customer's correspondence with District staff, he had requested that the Board of Commissioners be made aware of his complaint.

7.) INTER-AGENCY REPORTS

a.) Everett Water Supply Report

Mr. Brees provided a verbal report to the Board of Commissioners on the Everett Water Situation Fact Sheet and Water Storage Spada Elevation Graph, as of June 14, 2019, where there was eighty-eight percent of normal storage volume for this time of year. This summer is forecasted to be dryer and warmer than normal and while there is not an immediate call for conservation, there foreseeably could be one later this summer.

8.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore provided a verbal report to the Board of Commissioners regarding a project to replace undersized water main in 131st Street SE between 10th and 12th Drive SE. Currently, the District has a 4" cast iron water main at this location and there is an active developer project where there is a part of a parcel segregation the Developer is connecting to sewers and installing a fire hydrant. Staff, in coordination with Gray & Osborne, Inc., has reviewed the feasibility of upsizing and replacing the water main in advance of the Developer's project. In this review, a survey was conducted and fire flow has been modeled for the proposed improvements. The model demonstrates that there would be significant benefit to the District's entire system within the Silver Acres area if the project were to be constructed. While this project is not specifically identified in the Comprehensive Plan, it is similar to several other projects called out for this area (replacement of undersized cast iron water main). Staff recommended that the District construct the project. Properties that benefit, including the current developer, would be subject to a special connection charge determined at a later date. This charge would recover some of the projects costs.

Gray & Osborne provided a Scope of Work for the services identified to design, develop bid documents, and to assist in the bid process for the 131st Street SE water main replacement in the amount of \$34,100. If in agreement, the Board of Commissioners was asked by motion, to accept their proposal to perform these services, and by separate motion to authorize staff to advertise the 131st Street SE Water Main Replacement Project for competitive bid.

Following discussion, by separate motions made, seconded, and passed unanimously, the Board of Commissioners approved the Scope of Work from Gray & Osborne, Inc. in the amount of \$34,100, for the design of the 131st Street SE Water Main Replacement Project and authorized staff to advertise the project for competitive bid.

b.) Finance Manager:

Mr. Nelson reported to the Board of Commissioners regarding the District's invoices received from the Clearview Water Supply Agency. Mr. Nelson had noted some billing errors that have been identified to the Alderwood Water & Wastewater District and will be corrected.

Mr. Nelson provided updates regarding research into two accessory dwelling units (ADUs) that may have been connected to the District's systems without notice or payment of fees. On one property that was discovered during a sale, the connection fees and back billed utility charges have been paid. On the second property, Mr. Nelson has been invited, along with a representative of the Snohomish County Assessor, to tour the property.

Mr. Nelson reported that the State Auditor has made preliminary contact with the District to schedule the 2017/2018 Audit for October of this year.

c.) Attorney:

Mr. Milne provided updates on litigation of statewide significance. In regards to the suit with King County pertaining to rent of the right-of-way, arguments before the State Supreme Court have been scheduled for September 17, 2019. With respect to the Federal Way Excise Tax case, briefs have been filed seeking direct review by the State Supreme Court.

d.) General Manager:

Mr. Brees reported that staff has meet with City of Mill Creek staff regarding the City's potential interest in acquiring a portion of the District's Old Headquarters Site and that a follow-up tour has been scheduled for July 1, 2019.

Mr. Brees reported that District staff had met with City of Everett staff this week to follow-up on previous discussions related to the transfer of accounts and isolation valving between the two water systems in the Silver Acres area. Currently these District customers are served from the Everett side of the system isolation boundary, and the District would like to transfer them to the District's side. In doing so, there would be a cost advantage as the wholesale water cost is considerably lower. The meeting was productive in that the City is open to establishing an emergency interconnection between the City and the District's water systems by means of a metered pressure reducing valve. This would allow the District to maintain a high level of service with respect to fire flow when moving the isolation boundary. District staff will develop a project plan to construct the pressure reducing valve and to meet once again with City of Everett staff to coordinate the transfer.

Mr. Brees also reported that he has been in recent communication with representatives of Verizon regarding the potential lease of a District site for construction of a cellular facility. This is a restart of a project first discussed back in 2017.

Mr. Brees reported that Gray & Osborne, Inc. will prepare two loan project proposals for submission to the Public Works Board for funding via the PWTF Loan Program. These will be projects that are already identified in the Comprehensive Water System Plan for construction in upcoming years. It is anticipated that the grant application will require that the Board of Commissioners review and approve of the project proposals at the next meeting.

This ends the Minutes of the June 27, 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 June 27, 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 July 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 11 day of July, 2019.

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


Bill Anderson, Secretary