

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

July 11, 2019

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on July 11, 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, 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.

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 June 27, 2019 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

No members of the public were present.

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	.07-001-.07-047	\$231,486.60
Sewer Maintenance	743 5418666	.07-001-.07-011	176,553.70
Sewer Capital Improve.	743 5448666	.07-001-.07-001	2,049.20
Water Capital Improve.	743 5468666	.07-001-.07-002	4,033.96
Revolving Check Fund		6586 - 6609	4,464.77
Total Warrants			\$418,588.23

5.) CAPITAL IMPROVEMENT PROJECT(S):

a.) Staff Report – District Headquarters Project

Mr. Brees provided a verbal summary to the Board of Commissioners on the District Headquarters Project (Pay Application No. 16 and Final Completion).

The Certificate of Substantial Completion (an AIA Form that reflects a contract milestone) was issued for the District Headquarters Project on October 3, 2018. At that time, Petra Inc. (Petra) was provided with an extensive punch list of items to address and was also tasked with providing the District with As-Built Drawings, O&M Manuals, and Warranty documents for the work and materials supplied. Petra promptly addressed the majority of the punch list items and made initial submittals of the required project documentation at

the end of 2018. However, the original document submittals and follow-up submissions were determined incomplete and only recently has the District received a complete set of the required documents. With this final task now complete, the Certificate of Final Completion was issued for the project with an effective date of July 5, 2019. Petra has submitted Pay Application No. 16 in the amount of \$8,339.01. The balance remaining to complete the project is \$179,087.13 (retainage). The retainage payment will be made to Petra when the District receives releases from the three state agencies in response to the Notice of Completion form that will be filed by staff to the respective state agencies, and provided that any remaining subcontractor liens are resolved.

Pay Application No. 16 was submitted for review and approval. Staff requested the Board of Commissioners review Pay Application No. 16 and if in agreement by motion, direct staff to process a payment for Pay Application No. 16. The total payment to Petra, Inc., minus retainage requested, is \$8,339.01.

Following discussion, by motion made, seconded, and passed unanimously, the Board of Commissioners approved Pay Application No. 16 and directed staff to process a payment in the amount of \$8,339.01.

Following discussion, by motion made, seconded, and passed unanimously, the Board of Commissioners accepted the project as complete and directed staff to file the Notice of Completion to the respective state agencies for the project.

b.) Staff Report – Second Quarter Bills of Sale

Mr. Gilmore presented a verbal summary to the Board of Commissioners of a Staff report listing the accepted 2nd Quarter Bills of Sale for Developer Extensions, representing \$1,211,153.77 of utility infrastructure added to the District by Developer contribution. Following discussion, the Board of Commissioners acknowledged acceptance of the Bills of Sale for:

2nd Quarter Bills of Sale		
Project Name	Water	Sewer
Hopkins Short Plat – 126 th Street	\$20,954.79	\$82,678.67
Pinewood Terrace Sewer		534,333.37
Everett Elementary School #18 (Tambark Creek)	383,966.66	189,220.28
Total Value	\$404,921.45	\$806,232.32

With these projects, the cumulative estimated value of Developer contributed facilities accepted by Silver Lake Water and Sewer District in 2019 is \$1,290,707.64.

c.) Update on the Waldenwood Lift Station Replacement Project

Mr. Gilmore and Mr. Delfel provided an update to the Board of Commissioners regarding the Waldenwood Lift Station Replacement Project. Mr. Gilmore reported that the required insurance from the contractor has been submitted and the Contract documents have been executed. Mr. Delfel provided an update on the status of permit issuance for the project by Snohomish County. It is anticipated that the all of the required permits will be issued

following a review of recently submitted supplemental information pertaining to geotechnical analysis of the proposed structure and proximity to steep slopes. Recent changes to County development code required the supplemental geotechnical analysis that were not anticipated to be required.

d.) Update on Public Works Trust Fund Loan Applications

Mr. Brees provided an update to the Board of Commissioners regarding Public Works Trust Fund Loan Applications. Gray and Osborne is preparing two applications on behalf of the District to provide loans for the construction of two water main replacement projects identified in the District's Comprehensive Water System Plan. The deadline for submission is midnight on July 12, 2019.

Following discussion, by motion made, seconded, and passed unanimously, the Board of Commissioners authorized the submission of two loan applications to the Public Works Board, Public Works Trust Fund Loan Program for prioritized water main replacement projects identified in the District's Comprehensive Water System Plan.

6.) MAINTENANCE AND OPERATION REPORT(S):

a.) Surplus Equipment

Mr. Berger provided a verbal summary to the Board of Commissioners regarding Draft Resolution No. 776 – Declaring Property of the District as Surplus, with Attachment “A” and “B”.

Following discussion, by motion made, seconded, and passed unanimously, the Board of Commissioners adopted and executed Resolution No. 776, declaring certain District property to be surplus and detailing the terms of sale or disposal of such property.

b.) Staff Report – Purchase Authorization – Leak Detection Equipment

Mr. Berger and Mr. Brees provided a verbal summary to the Board of Commissioners on a Staff report regarding Purchasing Authorization for Gutermann Leak Detection Equipment.

The District updated its Water Use Efficiency Program in 2017 through the adoption of Resolution No. 734. This program was first mandated by state law in 2003 and implementation of various requirements of the law were phased in through 2017. The District's program includes both regional programs and local programs that encourage conservation. Additionally, the District reports annually on program progress, primarily by reporting on a distribution system leakage measure, where all water brought into the system is compared to all authorized use of water. Since tracking began on this measure, the District has performed comparatively well with leakage rates below 5%. In 2018, the District's leakage rate was 4.6% with a three year average of 3.1%. Maintaining a low leakage rate is not only a conservation measure mandated by law, it also represents efficiency from a fiscal perspective, where the District minimizes wholesale purchases of water while striving to account for all water sold at retail rates.

Distribution system leakage, by the measure reported, can actually represent several things including: inaccuracy in metering, theft of water, not accounting for maintenance use of

water, not accounting water used in firefighting, and the actual water lost through leakage from the District's Distribution System. To minimize the water lost through leakage, the District has relied on a contract program for leak detection. On an annual basis, approximately one-sixth of the District's water mains are tested by a contractor, utilizing acoustical listening equipment. While this approach has identified unknown leaks and helped maintain the low leakage rates, the District does not own or operate the equipment and is not able to use it on a reactive basis. Conducting more comprehensive testing on an ongoing basis could help further reduce the leakage rate.

In 2019, the District had two incidents (one water main break and one service lateral leak) where the presence of the leak was known but the actual location was not easily identifiable, due to subterranean water movement. In each of these cases, District crews operating a Vactor truck potholed several locations over the course of several hours, unsuccessfully attempting to locate the leaks. The leaks were accurately located the following day using Gutermann Leak Detection Equipment, operated by either the City of Everett or Alderwood Water & Wastewater District (AWWD). Having had the opportunity to see this equipment demonstrated on the District's system, it was realized that there would be significant benefit to own and operate the equipment with District staff. This equipment would be utilized proactively in place of the District's current contract Leak Detection Program and reactively to reported leaks to more accurately pinpoint the location of leaks.

Staff obtained a quote from Gutermann for three pieces of Leak Detection Equipment that will be used as a part of a comprehensive program: a Proactive Correlating Logger System with 10 sensors, a Reactive Correlator with two sensors, and an Acoustical Scope System worn by an operator to pinpoint leaks on service lines. The total quote was for \$43,050.00 plus sales tax, and is extended to the District consistent to the terms extended to AWWD in 2018 when AWWD solicited written quotes for leak detection equipment. AWWD obtained quotes to purchase the first two systems which are the bulk of the total cost and are detailed in the Table below. The District has a current Interlocal Agreement with AWWD for Cooperative Purchasing that allows each agency to leverage any quotations or bids obtained by the other agency, and the two agencies have the same purchasing requirements under state law. While typically staff will forecast this type of equipment purchase in the financial forecast, there is significant benefit in moving forward now while the vendor is willing to honor pricing extended to the AWWD in 2018.

AWWD Quotations	
Vendor:	Price:
Gutermann	\$38,400.00
Construction Product Marketing, LLC.	\$40,400.00
HydroPro Solution, Inc.	\$40,400.00

Staff requested the Board of Commissioners review the quote for the Leak Detection Equipment and to authorize the purchase of Gutermann Leak Detection Equipment as specified in Quotation No. QT5190151, for a total cost of \$43,050.00, plus sales tax.

Following discussion, by motion made, seconded, and approved unanimously, the Board of Commissioners authorized staff to purchase the Gutermann Leak Detection Equipment as specified in Quotation No. QT5190151, for a total cost of \$43,050.00, plus sales tax.

c.) Update on Part-time Staffing for Operations & Maintenance

Mr. Berger provided an update to the Board of Commissioners on part-time/temporary staffing for the Operations and Maintenance Department. These positions are typically filled by college students or individuals interested in becoming utility workers and are seeking to gain entry level experience. In 2018, the District recruited and filled five temporary positions. The 2019 Financial Forecast included funding to recruit the same number positions. However, despite conducting a more extensive hiring advertisement and due to the competitive job market, the District has only been able to fill three positions this year. Given the District has had difficulty recruiting for these entry level positions and recognizing the District has a deficit in the area of skilled electrical work, Mr. Berger proposed recruiting for a part-time/project electrician. The goal would be to find an individual that would work part-time to help with projects and to provide coverage and support to the District's current electrician. The position would be advertised for a part-time position through the end of the year and evaluated during the financial planning process for 2020.

Following discussion, by motion made, seconded, and approved unanimously, the Board of Commissioners authorized staff to develop a Job Description for a part-time/project electrician and open a recruitment for the position.

7.) STAFF REPORTS

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson provided an update to the Board of Commissioners regarding status of a property that had been brought to staff's attention as a possible unauthorized Accessory Dwelling Unit (ADU). Upon further investigation and at the invitation of the property owner's agent, Mr. Nelson visited the property along with a Snohomish County official and determined that the structure did not meet the District's definition of an ADU. A letter was prepared to memorialize this investigation and to provide the property owner with information on the District's side sewer regulations.

Mr. Nelson also provided a summary of customer correspondence related to the 2019 Pass-through Rate increase. Approximately fifteen customers have contacted the District. Many calls were prompted by larger than anticipated bill amounts that represented the combination of the rate increase, implementation of summer rates, and increases in individual customer consumption related to outdoor watering.

c.) Attorney:

Mr. Milne provided a report on a recent Appeals Court ruling regarding service to the Point Wells area in Southwest Snohomish County. Service to this area was in dispute by the City of Shoreline together with the Ronald Wastewater District and Olympic View Water and

Sewer District. The Court determined that the area was within Olympic View's authorized sewer service area and Snohomish County, and invalidated Ronald's claim to serve this area. Ronald's claim related to prior service to the refinery by agreement with King County.

d.) General Manager:

Mr. Brees reported on the recruitment process to fill the position of District Engineer. Interviews are scheduled with five well qualified candidates. The finalist(s) identified in the interviews will be scheduled to meet with the Board of Commissioners as one of final steps in the recruitment process.

Mr. Brees also shared a list of active Developer Extensions in the District. Gray and Osborne will be training and staffing a second inspector for the inspection work related to the Capital Projects and active Developer Extensions in the District.

This ends the Minutes of the July 11, 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 July 11, 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 25, 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 25th day of July, 2019.

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


Bill Anderson, Secretary