

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

July 25, 2019

The regular meeting of the Board of Commissioners of the Silver Lake Water and Sewer District was held on July 25, 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; 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 July 11, 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	.07-048 -.07-077	\$51,606.46
Sewer Maintenance	743 5418666	.07-012 -.07-017	20,449.38
Sewer Capital Improve.	743 5448666	.07-002 -.07-003	18,660.94
Water Capital Improve.	743 5468666	.07-003 -.07-004	21,537.85
Revolving Check Fund		6610 - 6640	12,504.43
Total Warrants			\$124,759.06

b.) Staff Report – Financial Reports – June 30, 2019 (Pre-closing)

Mr. Nelson provided a summary to the Board of Commissioners of a Staff report regarding Financial Reports – June 30, 2019 (Pre-closing).

The District's Second Quarter Pre-closing Revenues from all sources are \$12,283,435. Comparisons were provided to the Second Quarter of 2018. The Revenue increased by \$750,625. Charges for Service Revenues increased by \$299,893. While New Connection Revenues increased \$285,195, this was a net between Bills of Sale (Contributed Capital) that increased by \$888,235 and New Connection Fees (Cash) that decreased \$603,040 from 2018's Second Quarter.

The District's total expenses posted through June 30, 2019 were \$9,178,027. The largest operating costs continue to be purchased water and sewer treatment services which totaled \$4,096,055. Overall, District expenses were \$319,272 higher than the Second Quarter of 2018.

Currently, the District's Net Income through June 30, 2019 is \$3,105,408, which is an increase of \$431,348 from 2018.

The District's cash and investments totaled \$43,533,796, which was a decrease of \$927,314 from June 30, 2018. The main reason for the decrease in cash are the Headquarters Remodel and Reservoir No. 3 Projects. As the Water Capital Improvement cash reserves decreased, the Board authorized the equity transfers of \$1,272,682 from the old Water Construction account and \$2,000,000 from the Water Maintenance account.

In July, the Board authorized the 131st Water Main Project and the purchase of new leak detection equipment totaling \$468,394 of new project/equipment costs. Based on estimates for the account's current and newly approved project costs, Water Capital Reserves could be less than \$150,000 depending on revenue collections, actual costs, and the respective timing.

5.) CAPITAL IMPROVEMENT PROJECT(S):

a.) Update on Waldenwood Lift Station

Mr. Gilmore provided an update to the Board of Commissioners regarding the Waldenwood Lift Station Project indicating that the Snohomish County Permits are in progress. Construction is expected to begin in early August.

b.) Developer Extension Agreements

Mr. Gilmore provided a verbal summary to the Board of Commissioners for three Developer Extension Agreements.

1123-129th Street Duplex is located on the north side of 129th Street SE, adjacent to the plat of Silver Lake Meadows. This project will connect a 6-inch diameter side sewer perpendicular from an existing 8-inch sewer main in 128th Street SE into the proposed development site. The development is proposing the connection of a duplex structure with removal of an existing single family water only connection. The Developer is AGA Real Estate.

1314-126th Street (Antiabong Duplex) is located on the south side of 126th Street SE at approximately 13th Avenue SE. This project will extend two 6-inch diameter side sewer services from an existing sewer main recently installed with the 126th Street Hopkins Short Plat DEA. The initial development is proposing the connection of a duplex structure while a short plat is in process to create a second lot and an additional duplex connection. The Developer is Richard Antiabong.

Puget Park Townhomes was not provided in the Agenda Packet but was added by Mr. Gilmore for the Boards review. This 15 unit project is located on Puget Park Drive across from the Willis Tucker Park Dog Walk area. The Developer is Wesscott Homes.

Following discussion, by separate motions made, seconded, and passed unanimously, the Board of Commissioners approved and executed the Developer Extension Agreements for 1123-129th Street Duplex, 1314-126th Street (Antiabong Duplex), and Puget Park Townhomes.

6.) MAINTENANCE AND OPERATION REPORT(S):

a.) Reservoir No. 3 Update

Mr. Berger provided a verbal update to the Board of Commissioners regarding Reservoir No. 3 and the efforts to identify the source of the VOCs. Mr. Berger reported on the latest sample results that indicated that the source of the contamination appears to be within the Tideflex manifold that was installed as a part of the project. The latest sampling isolated the manifold from the rest of the inlet piping system.

7.) INTER-AGENCY REPORTS

a.) Staff Report – CWSA Meeting

Mr. Brees provided a verbal summary to the Board of Commissioners on a Staff report regarding the Clearview Water Supply Agency Meeting held on July 17, 2019.

The meeting agenda included: a review of Maintenance and Operations Reports, a Financial Report, and site tour of the pump station that was dedicated in June in honor of the commissioners of the three member agencies that have served on the Board for more than twenty years.

AWWD's M&O Director, Dave Barnes, provided a verbal summary of operational issues. He noted that the station had run on emergency power a few times over the past month. Mylar balloons have led to several minor power outages in the Snohomish PUD system. Mr. Barnes also reviewed several of the M&O projects and improvements completed at the pump station in recent years.

There were no major items to report with respect to finances. Monetary Assets for CWSA, as of June 30, 2019, totaled \$652,605.38. The Vouchers approved at the meeting totaled \$497,152.40.

The next meeting of the CWSA is scheduled for Wednesday, August 21, 2019, at 3 p.m., at the Alderwood Water & Wastewater District.

b.) Staff Report – EWUC and Wholesale Sewer Meeting

General Manager Curt Brees and District Engineer Rick Gilmore attended the Everett Water User Committee (EWUC) Meeting held on July 18, 2019. The meeting topics included: Conservation Program update, an overview of the water supply situation, updates on CIP projects, an update on Everett's Comprehensive Plan, information about the water supply forum, and reports on the recent earthquake centered near regional facilities.

Mr. Miller (City of Everett) reported at the EWUC meeting on the water supply. It was reported that levels are lower than normal in both reservoirs; however, the water supply is projected to be adequate for 2019. Currently, there is nine months of supply in the reservoirs. Several follow-up questions were asked pertaining to the supply and future outlook. City staff were confident that the supply would be adequate and no need for conservation measures are anticipated for the remainder of 2019.

City of Everett staff provided updates on several projects including Reservoir No. 2 and projects at the Water Filtration Plant. The project to replace Reservoir No. 2 is now at 30% design and has a forecasted cost of \$17 million. The project is actually two 2.5 MG reservoirs and significant site work. At the Water Filtration Plant, it was reported that the project to build a pump station to replace an existing standpipe is nearing completion, but there appears to be an issue with the electrical controls. A detailed report was provided on the project to replace existing generators and switch gear. Currently, there is a medium voltage system (12470 volt) and the City is at a critical decision point to replace it with a similar system or a 600 volt system. It is anticipated that this project will cost approximately \$10 million. The project scope will include improvements that provide redundancy in both the generation capacity and electrical distribution. 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. The liability for collapse and repairs has not been completely established between the City and the design-build contractor (and/or subcontractors) that constructed the roof. It is anticipated that the roof will have to be fully replaced, not repaired, and will likely not be in service until 2021.

City staff provided a verbal report on the earthquake that occurred on July 12, which was centered in the vicinity of three lakes, near both the filter plant and transmission mains. There was no interruption of operation, and facilities were inspected the following day with no observed damage.

Finally, City staff reported that the Water Supply Forum, comprised of the regional systems of Everett, Seattle, and Tacoma, will be preparing a report and future legislative request to fund system improvements to improve the resilience of the regional water systems to a major earthquake. The City has asked EWUC members to identify any regional projects that they may have to include in the request.

At the conclusion of the EWUC Meeting, City of Everett staff convened to a meeting of the 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 PWF Loan. The CIP forecast also shows expensing the purchase of property for biosolids disposal that the District contends is not a Capital Project, according to the terms of the agreement between the City and the District. City of Everett staff concluded that somehow the Districts no longer objected to the purchase.

General Manager Brees conveyed that this is not the case and that the District's Attorney is ready to meet with the City's Attorney, as previously discussed.

8.) STAFF REPORTS

a.) District Engineer:

Mr. Gilmore shared that this would be his final report to the Board of Commissioners, he thanked the Board of Commissioners and shared that his tenure as District Engineer has been one of the enjoyable aspects of his career.

b.) Finance Manager:

Mr. Nelson provided an update to the Board regarding the actions staff had taken with respect to an Adult Family Home that had been scheduled for disconnection for non-payment.

c.) General Manager:

Mr. Brees asked the Commissioners to indicate if they intended to attend the WASWD Fall Conference. Commissioner Backstrom reported that she plans to attend and requested that travel arrangements be made on her behalf.

The General Manager requested an Executive Session to discuss matters pursuant to RCW 42.30.110 (g) to evaluate the qualifications of applicants for public employment (District Engineer position). A motion was made, seconded, and unanimously approved by the Board of Commissioners to convene to an Executive Session to discuss this matter. Before convening to the Executive Session at 6:00 p.m., Commissioner Keppler advised that the Executive Session would be concluded at 7:20 p.m. The Executive Session concluded at 7:20 p.m. and open public meeting was reconvened.

This ends the Minutes of the July 25, 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 25, 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 August 8, 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 9th day of August, 2019.

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


~~Bill Anderson, Secretary~~
Rod Keppler, President