

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

June 11, 2020

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on June 11, 2020, beginning at 5:30 p.m. Attending by video conference were Commissioners Anne Backstrom and Shauna Willner; Commissioner John Warner attended via teleconference. Also present by video conference were General Manager Curt Brees, District Engineer Scott Smith, O&M Manager Ron Berger, Technical Services Manager James Busch, Finance Manager Brad Nelson, William Linton with Inslee, Best, Doezie, and Ryder P.S., Attorney for the District, and Eric Delfel with Gray & Osborne, Inc. The public was provided access to participate via teleconference, with the telephone number and access code published on the District’s website and posted at the District Administration Building (regular meeting location).

1.) CALL TO ORDER:

Commissioner Backstrom called the meeting to order at 5:45 p.m. Minor technical issues with the video conference for some of the participants delayed the start of the meeting.

2.) APPROVAL OF MINUTES:

The Minutes of the meeting of May 28, 2020 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

No members of the public participated in the teleconference.

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	.06-001-.0-038	\$176,216.98
Sewer Maintenance	743 5418666	.06-001-.0-014	604,959.04
Sewer Capital Improve.	743 5448666	.06-001-.0-003	603,843.86
Water Capital Improve.	743 5468666	.06-001-.0-002	12,065.69
Revolving Check Fund		7118 - 7140	139,926.21
Total Warrants			\$1,537,011.78

b.) Staff Report – Payment Plan Options for Delinquent Customer Accounts

Mr. Nelson provided a Staff report to the Board of Commissioners regarding Payment Plan Options for Delinquent Customer Accounts.

Mr. Nelson reviewed how on February 29, 2020, Governor Jay Inslee declared a state of emergency over the COVID-19 virus, and directed all state agencies to use all resources necessary to prepare and respond to the outbreak. On March 12, 2020, the Board of Commissioners reviewed the District’s collection policies and directed staff to defer

service disconnection and late penalty assessments but to continue to mail deferred Payment Reminder Notices, deferred Shut-off Notices, and deferred Payment Arrangement Confirmation Letters during the Governor's stay at home order. The Board also directed staff to develop a Customer Installment Program to assist customers facing both economic and health hardships, as a result of the COVID-19 crisis.

Governor Inslee has re-issued Proclamation 20-23 (4) multiple times, most recently on May 29, 2020, extending the deferral of service disconnections to July 28, 2020. The most recent proclamation also attempts to provide guidance on COVID-19 Customer Support Programs. Unfortunately, the Governor's guidance is not complete, is written for private utilities, and portions of the guidance referred to in the proclamation remain unavailable.

In addition to the Governor's complete guidance document not being available, it directs utilities to post a message sending their customers seeking support for COVID-19 to the UTC. However, the UTC has just redirected customers back to their specific utilities for financial assistance. Conversations with representatives from the UTC have confirmed this redirection. With respect to customer assistance programs, there is legal authority existing for electric utilities to provide direct customer financial assistance by using their previous year's unspent energy assistance dollars. There is no current authority for such direct assistance for UTC regulated water providers. As such, the UTC recommended customers be referred to private nonprofit assistance programs such as St. Vincent DePaul, Volunteers of America, or others.

Based on previous direction from the Board of Commissioners, staff is continuing to develop the District's installment plan process, with most of the computer processing and accounting resolved. Staff previously recommended to the Board to follow the Governor's proclamation and extend service disconnections and not assess late penalties until the expiration of the proclamation, currently set for July 28, 2020. Prior to this date, staff will provide a detailed Installment Plan and Customer Assistance Program for the Board's review and direction. Additionally, the District's Low Income Senior and Disabled Senior Rate Program continues to be available to eligible customers.

In addition, there is one account previously shut-off for breaking their lock to re-establish service that received protection under the Governor's order. This account was disconnected on February 25, 2020, prior to the emergency, and had a property lien filed on May 7, 2020. Currently, this account has a balance of \$970.80, and with an upcoming bill on June 30, 2020, and charges for the water meter's repair, we expect the account's balance to be over \$1,200.00. Given the account's history, staff intends to repair the water meter. After July 28, 2020, a Shut-off Notice will be provided and a heavy duty lock will be installed if a payment is not made on the delinquent charges.

Staff also noted that the District has updated the property owner Bill Copy Form, for a renter to ensure any past due charges are paid before a new renter is provided copies of the bill. This should ensure new renters are not provided bill copies with previous past due charges dating back many months. Staff also noted that the tenants moving out seem to be current. Also, staff is tracking one large multifamily accounts that is past due, though communication seems to indicate their past due balances are related to a change in property

manager. In addition, staff are seeing a larger number of commercial and multifamily customers (Cycle 3) becoming past due. In total the District currently has 1,003 past due accounts with some service charges going back to November 2019. A chart was provided to the Board listing, by billing cycle, the District's past due accounts. Staff color coded the cycles to show how their two monthly billing cycles land on the aged past due period. We expect Cycle 2, which just billed on May 31, 2020, to show an increased number of past due accounts come July. Overall, we estimate 1,500 accounts will need some form of installment plan by July 28, 2020. Staff also recommended an increased period of customer communication and education regarding the installment plan options, prior to implementation of service disconnections.

At the end of the discussion, staff, counsel and the Commissioners discussed the District's lien process. Currently on a quarterly basis, the Board reviews accounts that have been delinquent for more than 60 days. With Board approval, staff provides delinquent customers with a Notice of Intent to Lien and if unpaid, subsequently filing of a formal lien is made on the title of the property. It is anticipated that there would be a very large number of customers that are more than 60 days delinquent. Mr. Linton reviewed with the Commissioners that an enforceable lien will exist on the property for delinquent charges even if the lien is not filed; however, the filing formalizes the process and provides notice to other parties such as buyers or other lien holders.

The Board of Commissioners concurred with the staff recommendation, continuing the District to defer service disconnection and late penalty assessments until after July 28, 2020, consistent with the Governor's proclamation, and to prepare a program of extended payment arrangements for Board approval for implementation when the Governor's proclamation expires. Furthermore, the Board directed staff to prepare a criteria which accounts to notice with the intent to lien at the next quarterly review. Criteria will likely be based on balance owed or length of delinquency.

5.) DEVELOPER PROJECTS

a.) Staff Report – Holland Hollow – DE Agreement

Mr. Smith presented a Staff report, Vicinity Map, and Preliminary Plan Sheet to the Board of Commissioners regarding the proposed Developer Extension Agreement for Holland Hollow, located at 11515 36th Drive SE. The Developer is Elisabeth Holland.

The proposed project is for a three lot short plat, which will incorporate an existing single family residence that is on septic.

The scope of the District's extension work would be to extend a new sewer main from an existing manhole in 37th Drive SE south to 116th Street SE. Two new water services will be needed as well, which will be installed by District maintenance crews.

There are two existing water mains and two sewer force mains in 116th Street SE, and the potential for future sewer connections on the south side of 116th Street SE is limited. Consequently, staff is proposing to end the new sewer main with a manhole short of the intersection instead of a more typical extension into the middle of the roadway.

Staff recommended that the Board of Commissioners approve the Developer Extension Agreement Application for the Holland Hollow Short Plat project.

Commissioner Warner recommended that the slope of the proposed extension be increased to one percent as it will be the end of the line with limited flow. Mr. Smith concurred and stated that he would review this issue during plan review.

Following discussion, by motion made, seconded, and carried unanimously, the Board approved the Developer Extension Agreement for the Holland Hollow Short Plat project.

6.) CAPITAL IMPROVEMENT PROJECTS

a.) Staff Report –Waldenwood Lift Station Replacement & Pay Estimate No. 9

Mr. Smith provided a Staff report and Pay Estimate No. 9 regarding the Waldenwood Lift Station Replacement Project.

The District awarded the Waldenwood Lift Station Replacement Project to McClure and Sons (MSI) on June 6, 2019. Previous pay estimates have been approved monthly by the Board.

Mr. Smith presented photos of the work that continues on the building's CMU block walls, which are nearly complete. Large interior items will be installed prior to the roof construction, which should begin in the next two weeks.

Staff requested the Board of Commissioners approve monthly Progress Estimate No. 9 for work completed in May, in the amount of \$258,252.92. Work on this pay estimate consists of approximately 25% of the mobilization bid item since they have hit 50% of the overall contract amount, 20% of the traffic control bid item, and 5.41% of the lift station replacement lump sum item.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved monthly Progress Estimate No. 9 for work completed in May, in the amount of \$258,252.92.

b.) Staff Report – Consultant Contract

Mr. Smith provided a Staff report to the Board of Commissioners regarding a Consultant Services contract for 2020 Risk and Resiliency Assessment and Emergency Response Plan Update.

In 2018, the United States Environmental Protection Agency passed the America's Water Infrastructure Act (AWIA). As part of the AWIA, drinking water providers are required to update their Risk and Resiliency Assessment (RRA) and Emergency Response Plan (ERP) every five years. The deadlines for the current updates for the District are December 31, 2020 for the RRA, and June 30, 2021 for the ERP.

On March 12, 2020, the Board approved the proposed work plan for 2020 Capital Improvement Projects. Included in the list of approved Capital Projects is an update to the District's RRA and ERP. The District's ERP was last updated in 2014 but does not

contain action plans for contemporary threats such as terrorism, cyber-attacks, or pandemics. The RRA is focused on the water supply and distribution system, but the ERP should also be updated to include the sewer system as well.

District staff solicited a Request for Qualifications (RFQ) for the RRA and ERP updates on March 19, 2020, to emergency/disaster response firms listed on the MRSC roster. Four responses were received, which were evaluated to create a short list of three firms that were interviewed during the week of May 4, 2020. The consulting firm of Varius, Inc., based in Woodinville, was selected by the review committee as the most qualified consultant for the RRA and ERP update projects.

Varius, Inc. is an engineering firm that specializes in this type of work and will be utilizing Gray & Osborne (G&O) as a sub consultant for historical/operational knowledge of the District, with CI Security as a sub consultant for the specialized Cybersecurity work. The Varius, Inc. contract also includes the delivery of a mobile software application for District devices, such as cell phones and tablets. This will enable staff to access the ERP and response protocols immediately during a disaster instead of trying to remember where the dusty binder is on a bookshelf back in the office.

The contract cost of the RRA and ERP update work with Varius, Inc. is \$137,000. For comparison, Varius, Inc. is also doing the updates for Alderwood Water & Wastewater District (AWWD). The contract cost for the AWWD update is \$94,500, but does not include any Cybersecurity work (to be done in-house at AWWD), G&O support, or updates to the sewer portion of the ERP. Taking these extra work items into account for Silver Lake, the contract scope and costs are comparable.

Mr. Delfel added to the discussion that he has coordinated with Varius, Inc. on other projects and that they are both passionate and cost effective for this type of emergency planning.

Mr. Busch reported that the sub consultant, CI Security, is well known and respected amongst information technology professionals in Washington State. Mr. Busch also reported that he thinks that an outside review of Cyber Security is essential as an internal review is less likely to see the vulnerabilities in our own work.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute the proposed Consultant Services Agreement with Varius, Inc., for the 2020 Risk and Resiliency Assessment and Emergency Response Plan Updates, for an amount of \$137,000.

7.) MAINTENANCE & OPERATIONS:

a.) Staff Report – Service Contract Award

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Service Contract Award.

On March 12, 2020, the Board approved the proposed work plan for the 2020 Capital Improvement Projects. Included in the list of approved Capital Projects was a project for

CCTV inspection of the District's older sewer mains. The District has approximately 23 miles of old concrete pipe that may be deteriorating in the corrosive sewer environment and are more susceptible to blockage by tree root intrusion. The preliminary cost estimate for this work that was included in the approved 2020 Financial Plan, was \$100,000 per year for 2020 and 2021.

District staff solicited a Request for Proposals (RFP) for the CCTV inspection work on April 20, 2020, to vendors listed on the MRSC roster. Five responses were received, which were evaluated by staff in mid-May. The evaluation criteria was based on a combination of 50% for bid prices, and 50% on other factors such as experience, staffing, and project approach. Pro-Vac, LLC, was selected by the review committee as having the best combination of price and other factors. Innovac, a frequently used company by the District, was a strong second place but had nearly double the bid prices.

The proposed service contract with Pro-Vac, LLC is a unit price contract with a time period of one year, but can be extended for another year by the District. Work is expected to start in early July and based on the submitted bid prices, staff estimates that there could be approximately 20 – 25 days of CCTV inspection work annually, based on the approved funding. Of course it will vary by the pipe conditions and sewer system configuration, but that could allow up to 75% of the older sewer mains to be inspected in the next two years. The data gathered by this inspection work will be entered in to the District's Asset Management System and will be viewable in the GIS software. It is anticipated that the work will identify additional sewer repair, rehabilitation, and replacement projects.

Following discussion, by motion made, seconded and carried unanimously, the Board of Commissioners authorized the General Manager to execute the proposed Consultant Unit Price Services Agreement with Pro-Vac, LLC for the CCTV Inspection Project.

b.) Staff Report – Sewer Overflow Claim – 126th Place SE

Mr. Berger provided an update and presented a series of photos of the repair work resulting from the Sewer Overflow Claim for 126th Place SE.

At the last Board of Commissioners meeting held on May, 28, 2020, Mr. Berger reported on a sewer backup that had recently occurred at 4831 126th Place SE, Everett.

Since that time, and after much video inspection, it became apparent that there were no cross bores present that caused the sewer backup to occur. Using a sewer mainline root cutter, crews were able to clear the mainline completely and determine that the customer's side sewer line was almost entirely blocked with roots. Attempts were made to locate the upper clean out that were unsuccessful. District crews excavated down to a depth of 10' to cut open a section of side sewer line, just upstream of the side sewer tee, and physically removed a root clump from the side sewer line. While the side sewer line was open, the line was video inspected and was clear beyond that point towards the home.

The District's insurance carrier, WCIA, is working with the homeowner and a Claim for Damages has been submitted. Mr. Berger has been in contact with Duke's Root Control,

who specializes in sewer line root issues, for the sewer line and side sewers on this street to be chemically treated.

Commissioner Backstrom inquired about how the impacted sewer line would be repaired or if it would be replaced. Mr. Berger reported that the upcoming District CCTV sewer line inspections will likely identify additional concrete lines needing treatment, and possible installation of Cure in Place (CIP) pipe lining to protect pipes from root infiltration and to extend the life of District's concrete lines. Staff reported that the CIP liners can extend the life of a concrete sewer from fifty to seventy-five years, similar life span to a new PVC line, which is why it is the current standard for most repairs.

c.) Staff Report – Reservoir No. 3 – Warranty Repairs

Mr. Berger provided an update, photos, and video were presented, regarding the Reservoir No. 3 Warranty Repairs.

On Wednesday, June 3, 2020, Razz Construction delivered a new Tideflex Mixing System for installation into Reservoir No. 3, to replace the defective prior model. A portable scaffolding system was built prior to the install inside of the Reservoir. The new Tideflex System bolted up quickly and was easy to handle because it was constructed of lighter HDPE pipe.

While Razz Construction was onsite, crews paved a valve patch on the east side of the tank. Some minor touch painting will occur to the outside areas when the weather improves. There were some minor deficiencies on the interior paint system that repair will be delayed on until next year at the two-year warranty inspection.

District crews performed a final cleaning of the tanks interior on Tuesday, June 9, 2020. AWWA Chlorination Method No. 3 was used to disinfect the tank. Bacteriological and VOC samples will be collected when the tank is full (reservoir currently filling). When sample results are satisfactory, Reservoir No. 3 will be placed back into service.

Staff also reported that the warranty work and prior claim issues have been resolved with this work.

d.) Update on District Office Reopening – Preliminary Planning

Mr. Brees provided a verbal update regarding the District Office Reopening and Preliminary Planning, noting that the District, like many other government agencies, will not reopen to the public until Snohomish County is in Phase 3 of the reopening. Mr. Brees also detailed that when first reopening, the hours that the office is open to the public would be limited to a few hours and perhaps just a few days per week. Limited hours that the office is open to the public, will allow more staff to continue to telework and help us maintain social distancing in the office. Staff is also discussing the signage and procedure that will be used to communicate the District's policies to customers.

8.) STAFF REPORTS:

a.) District Engineer:

No further reports.

b.) Technical Services Manager:

Mr. Busch reported to the Board that the Technical Services Group had launched a new program for Cyber Security training, which is focused on both testing and training of the District's employees on best practices for Cyber Security. Mr. Busch notified the Commissioners that they will be included in the training and that they will be receiving an invitation to participate.

c.) O&M Manager:

No further reports.

d.) Finance Manager:

No further reports.

e.) Attorney:

No further reports.

f.) General Manager:

No further reports.

This ends the Minutes of the June 11, 2020 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

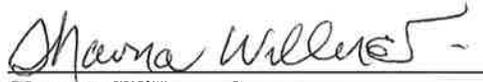
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 11, 2020 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 June 25, 2020 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 25 day of June, 2020.

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



Shauna Willner, Secretary