

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

December 9, 2021

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on December 9, 2021, beginning at 5:30 p.m. The meeting was held in hybrid format with Commissioners Anne Backstrom, John Warner, and Shauna Willner, in person at the District Administration Building. Also present in person was General Manager Curt Brees, Finance Manager Brad Nelson, and District Engineer Scott Smith. Attending virtually was O&M Manager Ron Berger, and Technical Services Manager James Busch; 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 in person or 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 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the special meeting of November 23, 2021 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There was no public present for comment.

4.) FINANCIAL MATTERS

a.) Payroll, Vouchers, and Revolving Fund Check(s) Approval

Following discussion of various matters, including the vouchers paid by the District, to the District, for utility services at District facilities, Vouchers (Check No. 17473 - 17533) in the amount of \$231,923.03; Revolving Fund Checks (Check No. 8234 - 8246) in the amount of \$206,448.88, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$78,886.18
Water Capital Improvement	128,061.59
Sewer Maintenance	13,571.67
Sewer Capital Improvement	11,403.59
Revolving Check Fund	206,448.88
Total	\$438,371.91

5.) DEVELOPMENT PROJECTS:

a.) Staff Report –Highland Park Townhomes – Participation Design Contract

Mr. Smith provided a summary to the Board of Commissioners on a Staff report regarding the Highland Park Townhomes Participation Design Contract.

On May 13, 2021, the Board approved a Developer Extension Agreement for the Highland Park Townhome project, a 42-unit development next to the District's Lift Station No. 3 site. There is an opportunity to participate with the developer on two potential system improvements: (1) Install approximately 400 feet of offsite water main to loop an existing dead end and replace an old, high maintenance, 4-inch cast iron pipe in the adjacent cul-de-sac, and (2) Install approximately 750 feet of new sewer force main along the project frontage as part of the future Lift Station No. 3 Force Main Replacement Project, which is Project No. LS-10 in the Wastewater Comprehensive Plan CIP list.

Staff proposed to contract directly with the developer's engineer, PACE, for the design of the participation elements to better control the costs and scope of the offsite utility work. The estimated cost is not-to-exceed \$19,930. There is some risk that the property may be sold to another developer, but the townhome project is an approved and vested land use plan with the County. In any case, a development will happen on the property in the future and the offsite water loop will be a benefit to the District. PACE is far along into the permitting process with the County and likely to finish the project through approval.

Acquisition of an 8-foot-wide utility easement will also be necessary along the north side of the property at 13326 62nd Drive SE for the offsite water main loop, and the easement area has been appraised at a value of \$1,700. The work would also involve replacing existing items onsite that will be removed during construction, such as a fence and driveway.

A separate Participation Agreement will be brought to the Board for approval for the construction portion of the work once the design work is completed and final costs have been determined with the developer.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute a standard consultant contract with PACE Engineers for design of the District participation work.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to acquire a utility easement for the offsite water main loop.

6.) CAPITAL IMPROVEMENT PROJECTS:

a.) Staff Report – Asphalt Paving – Pay Estimate No. 3

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Asphalt Paving Project - Pay Estimate No. 3.

The District awarded the Asphalt Paving Unit Price Contract to JB Asphalt Paving, Inc. on March 25, 2021. The District's paving work is performed under a master unit price contract with a not-to-exceed amount of \$500,000, with individual task orders that have a defined scope and cost for each task. The unit price contract is good for one year with an option to extend for another year.

The four identified paving task orders for 2021 were an overlay of 131st Street SE, deferred manhole and valve cover replacements, two maintenance repair patches, and some site

paving at Reservoir No. 4. The unit price format worked well for this variable scope of work but may not be the most cost-effective approach in the future.

The task order for manhole and valve cover replacements was started on October 20, 2021 but ran into issues with the water valve covers. The bid items and details in the bid package were just to replace the top portion with the lid and repave around the valve covers. However, the entire valve box assembly had rusted together and required replacement all the way down to the water main at each site, which involved extra work by the contractor with some assistance from District maintenance crews.

The remainder of the paving work consists of many more water valve covers on 132nd Street SE, which are expected to be in even worse condition. Since this is a major scope change from the original bid package and outside the expertise of JB Asphalt, it was agreed that the remaining 132nd Street SE work will be deleted from the contract and moved to the 2022 scope of work. In addition, the District will take possession of, and pay the contractor for some heavy-duty water valve covers already ordered for 132nd Street SE, which were also not part of the original contract package.

The manhole cover replacements on Lowell Larimer Road and the on-site paving at Reservoir No. 4 were successfully completed with no issues. This should complete the planned unit price paving work for 2021, and a more defined and typical utility adjustment bid package will be prepared for 2022.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Monthly Pay Estimate No. 3 in the amount of \$33,014.16 for work associated with the completed water valve/manhole replacements and Reservoir No. 4 site paving.

b.) Staff Report – Lowell Larimer No. 1 – Pre-design Contract

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Lowell Larimer No. 1 Pre-design Contract.

Two high priority sewer capital projects to begin design work in 2022 are the rehabilitation of the Lowell Larimer 1 and Highlands East Lift Stations. Lowell Larimer No. 1 is CIP Project No. LS-5 in the Wastewater Comprehensive Plan, and Highlands East upgrades were originally included in the Wastewater Comprehensive Plan as part of CIP Project No. LS-1; however, the scope improvements have been increased, prompted by the new Glacier View Estates development. A competitive process to select the most qualified design consultant is required, per RCW 39.80. A joint Request for Qualifications (RFQ) for both the Lowell Larimer No. 1 and Highlands East projects was sent to water and sewer consultants listed in the MRSC Roster on September 9, 2021.

Only two responses were received by the deadline of September 24, 2021, and both were from established consultants, Murraysmith and Gray & Osborne (G&O). Since there are two projects and two consultants, staff is recommending awarding the pre-design work for one project to each consultant. G&O was selected for the Lowell Larimer No. 1 project, due to their knowledge of the site and surrounding conditions.

Lowell Larimer No. 1 was built in 2003 and receives flow from Larimer 2 and the surrounding developed area. It ultimately serves a much larger sewer basin south of Lowell Larimer Road, including some new denser developments such as Remington Ranch. It has a pumping capacity of 1,100 gpm and pumps up the hill to the District's new Waldenwood Lift Station.

Potential improvements at the Lowell Larimer No. 1 Lift Station include replacing the surface mounted pumps with submersibles, relocating the surge valve, installing a new rock catch manhole and flow meter, upgrading the motor controls and starters, along with generator and communication line improvements. A high-level modeling effort should also be performed to check the capacity for development of the larger sewer basin.

G&O provided a Scope of Work for the pre-design efforts to rehabilitate Lowell Larimer No. 1. This preliminary scoping effort will help better define the final design, and will consist of survey work, hydraulic modeling, preliminary site layout options with cost estimates, and a pre-design report. The estimated cost of the pre-design work for Lowell Larimer No. 1 is \$43,500.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute the consultant contract with G&O in the amount of \$43,500, for Pre-design of the Lowell Larimer No. 1 Lift Station Rehabilitation Project.

c.) Staff Report – Master Meter No. 3 – Pay Estimate No. 2

Mr. Smith provided a Staff report to the Board of Commissioners regarding Master Meter No. 3 - Pay Estimate No. 2.

The District awarded the construction contract for the Master Meter 3 Relocation Project to New West Development, on April 8, 2021. Pay estimates will be approved by the Board monthly.

Construction work for the new Master Meter 3 Relocation Project started on September 13, 2021 but was suspended at the end of September pending delivery of some critical parts that had been delayed due to COVID supply chain issues.

Work began again on November 18, 2021, with a cut-in connection to the second (6-inch) District water main. New piping was then assembled from the 8-inch District main through the vault and back to the existing Everett main. The new piping was tested for leaks and backfilled during the week of November 29, 2021, and work continues on the new electrical control panel structure.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Monthly Pay Estimate No. 2 for work completed in November, in the amount of \$109,867.50. Items included in this pay estimate consists of a percentage of the mobilization, traffic and erosion control, valves, piping and appurtenances, extra fittings paid under minor changes, a portion of the electrical system, and backfill materials.

7.) MAINTENANCE & OPERATIONS REPORTS:

a.) Staff Report – 2022 District Calendar and Holiday Schedule

Mr. Brees provided a verbal summary to the Board of Commissioners on a Staff report regarding the 2022 District Calendar and Holiday schedule.

For discussion purposes, a draft calendar for 2022 was prepared. In addition to setting an All-District Floating Holiday, designation of Juneteenth as an official District Holiday was recommended.

Beginning in 2022, the State of Washington will, for the first time, observe Juneteenth (June 19th) as an official paid holiday for state employees. Juneteenth (or June 19th) is an important moment in Black history which dates back to June 19, 1865. It marks the moment when emancipation finally reached those that were still enslaved in Galveston, TX, one of the deepest parts of the former Confederacy. There has been a growing movement to recognize the importance of Juneteenth. In 2021, it was also officially made a federal holiday, making it the 11th federal holiday and the first addition to the federal calendar since 1983.

Currently, the District observes a total of ten holidays as set forth in Chapter 3.15.270 of the District Code. In addition, District employees are provided with three floating holidays each year. In a typical year, one or two of these floating holidays are scheduled as an All-District Floating Holiday Day and the District office is closed for the corresponding day(s). Staff are given an opportunity to provide input on the selection of these days and for 2022, thirty employees provided input (a screenshot of survey data was provided).

Based on the employee input for 2022, staff is recommending using one Floating Holiday as an All-District Floating Holiday) on Friday, December 23, 2022.

The District's office would be closed on Friday, December 23, 2022 (Floater) and Monday, December 26, 2022 (Holiday).

In November 2022, there is one Board Meeting that will land on a holiday; Thanksgiving Day is on Thursday, November 24, 2022. For this date, the regular Board of Commissioners Meeting is recommended to be rescheduled as special meeting on Tuesday, November 22, 2022 (before Thanksgiving).

Staff recommended the Board of Commissioners discuss the proposed calendar for 2022 and the designation of Juneteenth as an Official District Holiday. Based on the Board's direction, Chapter 3.15.270 of the District's Code can be amended, via resolution, to either add an additional holiday, making a total of 14 holidays; 11 regular holidays and 3 floating holidays; or reclassify a floating holiday as a regular observed holiday on June 19th (total of 13 holidays, same as current). The calendar for meetings and the All-District Floating Holiday may be approved by motion.

Following discussion, the Board of Commissioners concurred with the schedule and calendar recommendations. The Board directed the General Manager to draft a resolution for the next meeting to amend Chapter 3.15.270 of the District Code to designate

Juneteenth or (June 19th) as holiday, for a total of 11 regular holidays and 2 floating holidays.

b.) Staff Report – General Pacific Agreement (Water Meters)

Mr. Brees provided a Staff report to the Board of Commissioners regarding the General Pacific Agreement (Water Meters).

The District's water system is fully metered. All the Districts 18,000+ service connections are served by a water meter that is read either on a bimonthly basis (Single Family Residential accounts) or monthly basis (Commercial and Multifamily Residential accounts). All water service charges include a base and consumption-based charge. For sewer service charges (commercial customer classes) the meter read is also used to bill a consumption-based sewer charge. All residential accounts are billed a flat sewer rate.

Historically, water meters were read manually, where a District employee would visually read the consumption measured on the dial of the meter and transcribe the value to a meter card, meter book, or tablet device. This was a very labor-intensive process that is still used by some utilities. The District currently uses a Drive-by Radio Read system. This is where a radio and laptop are installed in a vehicle that drives near the meters communicating via short-range radio transmission to collect the meter reading. These systems are known as Drive-by Automatic Meter Reading (AMR). Drive-by AMR was the cutting-edge technology from about twenty years ago and is still a very labor efficient means to gather the read information.

Approximately ten years ago, several systems that used longer range radios or repeating radios became available, that allowed meters to communicate directly from the individual meter to a receiving station on a more frequent basis. These systems are referred to as Fixed Based Automatic Metering Infrastructure (AMI). These systems are more labor efficient than Drive-by AMR and provided more data to the utility, due to the more frequent meter reads. With this data, a utility gains access to tools such as, leak reporting, meter tamper alerts, backflow event reporting, detailed consumption reporting, and on demand remote meter reading. The District evaluated Fixed Based AMI approximately 8-10 years ago and due to the substantial costs and shortcoming of the systems evaluated at the time, elected to retain, and maintain the existing Drive-by AMR system.

In the last five years, new cellular fixed based systems have become available that correct the biggest shortcoming of the initial fixed based systems, reliable radio transmission. These systems use a cellular transmitter that connects directly to commercial cell phone towers to transmit data. This approach eliminates some of the infrastructure and expense of a Fixed Based AMI system. Several of the traditional manufacturers of these systems have now adopted cellular based systems.

With these new lower cost Fixed Based Systems available and as the District's existing system ages and requires more frequent maintenance do to existing equipment reaching the end of its useful life, it was determined earlier this year that it would be a good time to re-evaluate the metering standard that the District will use into the future. With the support of HDR, Inc. the District conducted a Request for Proposal (RFP) process. In an RFP, the

District may consider the technical merits in addition to cost to select the best system for the District's specific needs. The intent is that new meters will be purchased and deployed as equipment fails or with new installations. Existing equipment will be retained and read for as long as the existing equipment is serviceable.

In April of this year, the RFP was published on the District's website and public notice was made in the Everett Herald and Seattle Daily Journal of Commerce. Several meter manufactures responded to the RFP and two respondents were short listed for further evaluation. In August, product demonstrations were conducted with each of the shortlisted respondents to allow for in-depth and hands on-review of the products and systems being offered. Following the product demonstrations, the District's project team came to a unanimous decision that Badger Meter and their distributor, General Pacific, was the preferred respondent to the District's RFP for a new metering system.

Following the selection in September, the District's team conducted a site visit to meet with Cross Valley Water District personnel. Cross Valley was a reference for the Badger/General Pacific team as they have a fully deployed Badger Cellular AMI System with product support provided by General Pacific. Very positive feedback was provided by the Cross Valley staff, and the District's project team gained valuable insights regarding the system.

Since October, the General Manager has been corresponding with the Badger/General Pacific team to develop agreements to purchase the meters and provide for ongoing cellular data services and use of the web portal. There will be two agreements. First will be an agreement with General Pacific (Distributor and Product Support) to purchase the metering equipment and support the hardware supplied. Second will be an agreement with Badger Meter for use of the web portal and cellular data services, like a Software as a Service (SAAS) agreement. At this time, the agreement with General Pacific is complete and has been reviewed by the District's Attorney. Work on the agreement with Badger Meter is ongoing but nearing completion.

It is worth noting that the cost to purchase new water meters and transmitters under the agreement will be significantly lower than the costs for comparable equipment that the District currently purchases.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute the Agreement with General Pacific, Inc. to purchase water meter reading products and product support.

8.) STAFF REPORTS:

a.) District Engineer:

Mr. Smith provided an update to the Board of Commissioners regarding Public Works Board contract approval.

On June 24, 2021, the Board authorized staff to apply for a \$450,000 Public Works Board (PWB) Design Loan for the proposed 10th Drive SE Water and Sewer Improvement project. The project would consist of replacing approximately 4,000 feet of undersized cast

iron pipe with a new 12-inch ductile iron main to create a new distribution network connection between the District's Master Meter 3 project and two existing 12-inch water mains on 131st Street SE. For construction efficiency, the project would also include the installation of approximately 2,000 feet of new sewer main along 10th Drive SE to provide gravity service where feasible.

The District received notice from the PWB in August that the application was successful and Silver Lake would be awarded the \$450,000 loan for design work. Staff is currently in process of selecting a design consultant, and a contract will be brought to the Board in January for approval. On December 8, 2021, District staff received an electronic copy of the formal PWB contract for approval. After reviewing the contract, staff requested Board authorization for the General Manager to approve the contract for a PWB Design Loan, in the amount of \$450,000, for the 10th Drive SE Water and Sewer Improvement project.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to approve the contract for a PWB Design Loan in the amount of \$450,000, for the 10th Drive SE Water and Sewer Improvement project.

b.) Finance Manager:

Mr. Nelson reported that he had recently met with representatives of the State Auditors Office regarding scheduling of an Entrance Conference. This meeting is typically held during the workday and one Commissioner attends this meeting together with District staff. Following discussion, the Board designated Commissioner John Warner to attend the Entrance Conference, representing the Board of Commissioners.

Mr. Nelson provided several updates regarding customer accounts: District staff have been working with Workforce (nonprofit administering rental assistance funds) to identify renters who are eligible for assistance with their utility bill arrearages. Many customers have been making payment on installment balances; however, the first shut off scheduled for January 5th, 2022 is still expected to impact many customers.

Mr. Nelson reviewed an issue that has come up a few times, where a customer makes a payment that is greater than what is required under an installment plan, but the item is subsequently returned by the bank. Mr. Nelson informed the Board that the expectation will be that the customer must pay the amount of the returned item not a lesser amount, consistent with other District payment policies.

c.) O&M Manager:

Mr. Berger provided an update from the field where District crews are cleaning up for the night. Crews have been working since before noon to locate a water main leak but have not been able to pinpoint the exact location of the leak. Groundwater and an abundance of leaked water are complicating the search. The site is being secured for the night and the search will continue in the morning.

d.) Technical Services Manager:

Mr. Busch reported that he and his team are working on several software updates.

e.) **Attorney:**

No further report.

f.) **General Manager:**

Mr. Brees reviewed the meeting schedule for the remainder of the month and presented a revised meeting time for the December 23rd meeting. On this day, the office will be closed to the public starting at noon. The Board of Commissioners Meeting (Open to the Public) will be held at 1:00 p.m. Staff not attending the meeting will be dismissed at 1:00 p.m. in celebration of the holidays.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners set a special meeting time for the December 23, 2021 Board of Commissioners meeting for 1:00 p.m.

This ends the Minutes of the December 9, 2021 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 December 9, 2021 regular meeting of Commissioners, duly adopted at a special meeting of the Board of Commissioners of the District, held at the regular meeting place thereof on December 23, 2021 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 December 2021.

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



Shauna Willner, Secretary