

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

May 12, 2022

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on May 12, 2022, beginning at 5:30 p.m. Attending in person were Commissioners Anne Backstrom, John Warner, and Shauna Willner. Also present in person were General Manager Curt Brees, Finance Manager Brad Nelson, District Engineer Scott Smith, Technical Services Manager James Busch, and Brian Malen IT Technician. Attending by video conference were O&M Manager Ron Berger; Curtis Chambers with Inslee, Best, Doezie, and Ryder P.S., Attorney for the District; Eric Delfel with Gray & Osborne, Inc. The public was provided access to participate both in person at the meeting and 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 Warner called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of April 28, 2022, were unanimously approved as circulated.

3.) PUBLIC COMMENT:

No members of the public participated in person or by teleconference at this time.

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, Payroll; Vouchers (Check No. 18126 - 18196) in the amount of \$351,965.71; Revolving Fund Checks (Check No. 8493 - 8525) in the amount of \$212,791.02, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$160,409.37
Water Capital Improvement	17,969.46
Sewer Maintenance	31,008.57
Sewer Capital Improvement	142,578.31
Revolving Check Fund	212,791.02
Total	\$564,756.73

b.) Staff Report – Amend Financial Management Policies – Require Credit Card Use Agreement and Resolution No. 829

Mr. Nelson provided a Staff report to the Board of Commissioners Amending Financial Management Policies – Require Credit Card Use Agreement and Resolution No. 829.

The District adopts Financial Management policies that authorize certain financial transactions including credit cards. The District currently has six credit cards issued with a named cardholder and four common cards that can be checked out to any employee. A Table was provided to the Board that outlined the District's current credit cards, who they are issued too, their current credit limit, and their typical credit limit.

Employees that do not have a specific card issued under their name, typically use one of the travel cards when on travel status. As the credit card program administrator, a credit card is not issued to the Finance Manager. The District's total credit limit for credit cards is limited to \$65,000; however, the credit limit between cards can fluctuate depending on the District's purchasing needs. The General Manager's card has the highest credit limit which has been needed in the past to purchase higher cost technology products or building permits.

The State Auditor has recommended the District have employees sign a Credit Card Use Agreement when they have a credit card issued to them. We are narrowing their recommendation to only requiring the use agreement for employees that have credit cards issued in their name. Staff provided the Board with a copy of both the draft use agreement and Resolution No. 829. It was noted that while directly issued cards would have a Credit Card Use Agreement signed by the specific employee, the governing controls for credit cards would continue to reside within the District's Code and the Financial Management Policies.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved and executed Resolution No. 829 – Amending Chapter 4.05.030, Entitled "Credit Cards", of the District Code.

5.) DEVELOPMENT PROJECTS

a.) Staff Report – John Le Sewer DEA

Mr. Smith provided a Staff report to the Board of Commissioners regarding the John Le Sewer Developer Extension Agreement (DEA).

The proposed John Le Sewer Extension is located along 31st Drive SE to serve a property at 3100 118th Place SE. There is an existing single-family home on two corner lots that would like to convert from septic to sewer as part of an extensive remodel project. However, there is no sewer readily available along either frontage.

Approximately 315 feet of new 8-inch sewer main and one manhole would be installed from the existing manhole in 31st Drive SE, north to the intersection of 118th Place SE.

This project could be eligible for a Reimbursement Agreement (aka Latecomer's) since it would provide sewer to at least three other parcels along the route. If the developer wants to pursue this option, staff will require the installation of sewer laterals to the property line of all parcels that could be served by the new sewer main.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners accepted the Developer Extension Agreement for the John Le Sewer Extension.

6.) CAPITAL IMPROVEMENT PROJECTS

a.) Staff Report – 2022 CCTV Contract Award

Mr. Smith provided a Staff report to the Board of Commissioners regarding the 2022 CCTV Contract Award.

The first round of 2020 CCTV inspection was completed in early 2021 on older concrete sewer pipes in the northern section of the District. The results were assessed by staff and prioritized for repairs such as root control, point repair, and future pipe lining work. There are approximately 10 miles of old concrete pipe in the southern area of the District that are planned for a second round of CCTV inspection in 2022. An amount of \$100,000 for this work was included in the approved 2022 Financial Plan.

District staff solicited a Request for Proposals (RFP) for the 2022 CCTV inspection work on March 24, 2022, to vendors listed on the MRSC roster. Five responses were received, which were evaluated and ranked by District staff in April. The evaluation criteria was based on a combination of staffing and equipment (20%), experience (30%), examples (20%), and price (30%).

Aqualis, formerly known as Innovac, was selected by the review committee as having the best combination of CCTV samples, capabilities, experience, and price. As Innovac, Aqualis has performed extensive work for the District in the past and is a well-established CCTV inspection company in the area. The proposed service contract with Aqualis is a unit price contract with a term of one year but can be extended for another year by the District.

Work could start in early June, which will be preceded by a kick-off meeting to set project expectations. Lessons learned from the 2020 CCTV inspection work will be implemented by District staff in 2022, including more proactive management of the CCTV vendor with better quality control checks on the video product. Additional sewer repair, rehabilitation, and replacement projects will likely result from the CCTV inspection work and will be incorporated into future Capital and Financial Plans.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute the proposed Unit Price Services Agreement with Aqualis for the 2022 CCTV Inspection Project.

b.) Staff Report – Reservoir 4 Boundary Line Adjustment Update

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Reservoir 4 Boundary Line Adjustment (BLA) Update.

Reservoir No. 4 is on two lots at 2210 132nd Street SE in Mill Creek. Where the reservoir, booster station, and cell towers were located on the southern lot and the Maintenance Building and former Administration Building were located on the northern lot. During the

pandemic, District staff utilized and upgraded the existing maintenance buildings on the site and recognized the value of having a second operations base during emergencies. However, the former administration building at the front of the site is in disrepair and will have little to no future use for the District.

On September 7, 2021, the Board authorized staff to proceed with a Boundary Line Adjustment (BLA) through the City of Mill Creek to move the existing lot line on Reservoir No. 4 further north and encompass the existing maintenance buildings to retain ownership for the District. Gray & Osborne prepared the BLA for City approval as one of their on-call engineering tasks, as well as the preparation of several new utility easements for District facilities on the northern lot.

The BLA was approved by the City on March 28, 2022 and recorded with Snohomish County on March 31, 2022. The new utility easements were recorded with Snohomish County on April 27, 2022, and entered in the District's GIS system that week, along with resolving several other existing easements onsite. A copy of the final BLA and easement map were provided to the Board of Commissioners.

The next step would be for the District to explore selling the northern lot, either to the City of Mill Creek or through the public surplus process. The City had requested and offered to pay \$1,000 for a Right of First Offer on the northern lot, which the Board approved on January 28, 2021. However, the City never followed through with approval on their end or any payment. The City has expressed interest in the Reservoir No. 4 north lot several times in the past but has never acted.

Staff recommended to the Board of Commissioners, that staff approach the City of Mill Creek to see if there is still interest in purchasing the northern lot and proposed a schedule of three months to explore this option. Following discussion, the Board of Commissioners agreed with the staff recommendation and directed the General Manager to contact the appropriate staff at the City of Mill Creek.

7.) MAINTENANCE & OPERATIONS REPORTS

a.) Staff Report – Solar Grant

Mr. Malen reviewed a Staff report and presentation with the Board of Commissioners regarding an solar grant opportunity.

District staff has prepared an application for the Washington State Department of Commerce Solar Retrofit Grant for public facilities, such as the District's Headquarters. This grant program has \$1.2 million available for award in 2022 and seeks to cut energy costs, reduce pollution, and showcase solar projects in communities across the state. The District's headquarters is a particularly good opportunity for a solar array to be installed, between an ample area of southern facing roof, modern facility and roof, and a high electricity consumption.

To prepare the application, staff met with two solar installers to provide proposals that are being used in conjunction with the grant application. There is a 100-kw limit on the AC capacity that can be installed on a single SnoPUD meter connection to qualify for net

metering which is incorporated in the grant requirements. The District will be able to offset between 25% – 33% of our yearly electricity use with a solar installation of this size, saving approximately \$13,000 per year on our electric utility bill at current rates.

The District has adopted a Greenhouse Gas Reduction Policy which seeks to reduce energy use, and installation of solar generation will further this goal. The addition of solar to the headquarters will also prolong the runtime of our facilities in the event of an extended power outage, reducing the load on our diesel generator.

Following discussion, the Board of Commissioners concurred with the staff recommendation to submit the grant proposal and to size the installation for the maximum allowed amount. If the District is awarded the Grant, the project will be reviewed by the Board to authorize the grant agreement, award the project to a contractor, and to establish the project budget.

b.) Staff Report – Office Furniture

Mr. Brees provided a Staff report to the Board of Commissioners regarding the Office Furniture.

At the February 8, 2022, Board of Commissioners meeting, a small project to replace carpets and purchase new office furniture was authorized. The District entered into an agreement with SB Design Services to develop plans, specifications, and to solicit bids from vendors on behalf of the District.

On April 14, the proposals for carpet replacement were reviewed and the Board of Commissioners authorized the General Manager to execute an agreement with Great Floors, LLC, for the carpet replacement. This work is expected to occur in August, dependent on the lead time for materials.

Concurrent to the proposals for carpeting, SB Design has solicited proposals for new office furniture on behalf of the District, based upon a layout and requirements that had been developed. A total of six proposals were received from three vendors. District staff has reviewed the proposals and conducted tours of facilities (either showrooms or recent installations).

Mr. Brees reviewed a presentation with the Board of Commissioners with photos of the various systems proposed by the vendors for the District's project. Staff recommended the Kimball Narrate furniture system. This product offered greater flexibility, appeared to be the best quality, and has the best product warranty. This brand of furniture is available on a competitive bid purchasing contract.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized joining the Omnia Partners Purchasing Co-op. This Co-op has a current contract for the staff recommended furniture system that the District may use to meet the competitive bidding requirement for the purchase and installation of the furniture.

At a future meeting, the Board will approve the purchase according to the final furniture configuration and pricing set according to the contract terms of the Omnia Partners Contract

c.) Update – SLWSD Alternative Work Schedules

Mr. Brees reviewed a draft policy with the Board of Commissioners regarding Alternative Work Schedules for the District's workforce.

Earlier in the pandemic, many District employees worked remotely or staggered their work schedule in support of social distancing efforts, to quarantine or in response to other impacts. While the office was closed to the public, we were able to maintain excellent customer service via email and phones. The District's office reopened to the public last summer and remains open today, despite ongoing impacts of the pandemic. Having learned from these experiences, staff is recommending that the District formalize a policy that permits alternative work schedules. Alternative work schedules are being defined as anything other than a workweek of five eight-hour days scheduled 8 a.m. to 4:30 p.m. Staff is also working on a draft policy which will permit remote work that will be reviewed later.

The draft policy that has been developed will permit two alternative schedules, a 9/80 Schedule, where there are 9 working days in a two-week period with one flex day, and a Flex Time Schedule where an employee would still work 40 hours in a five-day work week, but the distribution of hours might vary by day and/or the start or end of a shift might be outside the core business hours of the District.

Staff is recommending these changes to remain competitive in the current labor market. These schedules will offer improved work/life balance and reduced commute times. It is not anticipated that these schedules will increase labor cost or have significant impact on the availability of staff. These schedules are more of a redistribution of the available labor, increasing the duration of the workday when employees are available, with a tradeoff of having less staff available on the flex days that will fall on Mondays or Fridays.

Following discussion, the Board of Commissioners concurred with the staff recommendation to implement the proposed alternative work schedules at a future meeting date. Staff will return with a resolution to authorize the policy and amend the District code as appropriate for the definition of work weeks and the calculation of overtime.

8.) STAFF REPORTS:

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson requested that the Board approve payments outside the normal voucher approval process to the Public Works Board for the annual loan installments that are due on two Public Works Trust Fund loans. The statements were just received and payments are due soon.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved issuance of payments to the Public Works Board.

c.) O&M Manager:

Mr. Berger shared photos with the Board of Commissioner of two recent repairs completed by the O&M team. One was the replacement of 6" valve located in Mill Creek near Heatherwood Middle School. The second repair was a small leak on a valve assemble in the Lowes parking lot near Reservoir No. 4 that was verified by the District's leak detection equipment.

d.) Technical Services Manager:

Mr. Busch provide an update on the upgrade to the digital video controls in the Board of Commissioners' Room. The Commissioners commented on how nice it was to have the individual displays on the dais.

Mr. Busch reported that interviews were conducted this past week for the open GIS Intern position and that he is currently coordinating the preemployment screening for one of the candidates.

e.) Attorney:

No further report.

f.) General Manager:

Mr. Brees provided a quick demonstration of the District's new job application which is an online form that Mr. Busch developed.

This ends the Minutes of the May 12, 2022, 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

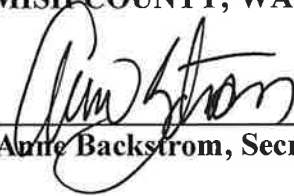
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 May 12, 2022, 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 May 26, 2022, 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 26th day of May 2022.

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



Anne Backstrom, Secretary