

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

June 23, 2022

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on June 23, 2022, beginning at 5:30 p.m. Attending in person were Commissioners Anne Backstrom, and Shauna Willner. Also present in person was General Manager Curt Brees. Attending by video conference/teleconference were Commissioner John Warner, O&M Manager Ron Berger, and District Engineer Scott Smith; Curtis Chambers 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 both 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 Willner called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of June 9, 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.) 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. 18348 - 18390) in the amount of \$368,760.43; Revolving Fund Checks (Check No. 8582 - 8607) in the amount of \$12,050.50, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$188,591.07
Water Capital Improvement	0.00
Sewer Maintenance	179,385.22
Sewer Capital Improvement	784.14
Revolving Check Fund	12,050.50
Total	\$380,810.93

5.) DEVELOPMENT PROJECTS

a.) Staff Report – 2ND Quarter Bills of Sale

Mr. Smith provided a Staff report to the Board of Commissioners regarding the 2nd Quarter Bills of Sale.

The Bill of Sale on a Developer Extension (DE) project is the legal mechanism used to transfer ownership of the utility infrastructure from the Developer to the District.

The Board accepts the Bills of Sale, cumulatively, at the end of each quarter. There were no Bills of Sale for the 1st Quarter, but two DE projects were completed in the 2nd Quarter of 2022. At least two more DE projects are in the closeout stage for potential 3rd Quarter reporting.

The projects listed below have completed construction and the District is in receipt of the respective Bills of Sale. A summary spreadsheet was provided to the Board that identified the infrastructure value on each project in the 2nd Quarter of 2022. Staff requested the Board of Commissioners acknowledge acceptance of the Bills of Sale for:

- **Deol Short Plat** – Water and sewer extension for six Single Family lots on Sunset Road, north of 180th Street SE, which is in the Alderwood Sewer basin
- **Golubovich Short Plat** – Sewer lateral installation only for a new duplex on 35th Avenue SE, south of 116th Street SE. The existing Single-Family Residence at this address was also connected to sewer

The value of the developer contributed facilities received by the District in the 2nd Quarter of 2022 is \$98,570.71.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the Bills of Sale for 2nd Quarter of 2022.

6.) **CAPITAL IMPROVEMENT PROJECTS**

a.) **Staff Report – 2ND Quarter CIP Update (June)**

Mr. Smith provided a Staff report to the Board of Commissioners regarding the 2nd Quarter CIP Update for June.

The planned future projects in the District's Capital Improvement Plan (CIP) are listed in Chapter 8 in both the Water and Wastewater Comprehensive Plans. CIP projects are also included in the Annual Financial Plan. The Board has approved several contracts with various consultants, contractors, and vendors, and work is ongoing on most projects.

A quarterly CIP update was requested by the Board in 2020, and an updated Status Matrix for active projects in the 2nd Quarter of 2022 was provided to the Board. The Status Matrix also includes major On-Call Consultant tasks and Developer Participation Projects, where the developer is essentially completing a CIP Project for the District during DE construction. Note, there are a few projects that are in the final closeout stage and will likely not appear on the next quarterly update.

During the Board meeting on June 23, 2022, Mr. Smith provided a summary of active projects for discussion by the Board including several projects that are in the close out phase, projects that are currently under construction and a long list that are in a pre-construction phase. The Thomas Lake Lift Station and Valve and Manhole Adjustment Projects were discussed in greater detail.

7.) MAINTENANCE & OPERATIONS REPORTS

a.) Staff Report – Authorize Office Furniture Purchase

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

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 14th, 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).

On May 12th, the Board of Commissioners reviewed the staff recommendation to purchase the Kimball Narrate Furniture system, utilizing the Omnia Partners Purchasing Co-op. The Board of Commissioners concurred with the staff recommendation and authorized via motion joining the Omnia Partners Purchasing Co-op.

It has been determined that the District is already a member of the Omnia Partners Purchasing Co-Op. This organization is a successor to the US Communities Co-op that the District joined in 2013.

The vendor, Legacy Group Interiors, has provided a final quote reflecting minor revisions and finishes totaling \$74,064.15. Revisions since the preliminary proposal include, adding adjustable height work surfaces to each of the workstations and changing a 90-degree corner to a radius on the work surfaces.

Following discussion by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the purchase of office furnishings from Legacy Group Interiors, utilizing the Omnia Partners Agreement to meet the District's competitive bidding requirements.

8.) INTERAGENCY REPORTS

a.) Staff Report – CWSA 2021 Annual Financial Report

Mr. Smith provided a Staff report to the Board of Commissioners regarding the CWSA 2021 Annual Financial Report.

Commissioner John Warner and District Engineer Scott Smith attended the Clearview Water Supply Agency (CWSA) Meeting held on June 8, 2022. The meeting was held in person for the first time in two years at the Alderwood Water & Wastewater District (AWWD) administrative offices. The meeting agenda included a summary of the 2021

Annual Financial Report, along with Maintenance and Financial updates, including approval of the May Vouchers and Disbursements. A copy of the 2021 Financial Report Summary was provided for review.

AWWD M&O Superintendent, Joe Skeens, provided an update on the operations of the Clearview Pump Station during the months of April and May. It was reported that there were no afterhours callouts during this period. Several routine tasks were also completed at the site by AWWD staff and vendors, including HVAC work, pump maintenance, and gutter cleaning. The pump station has been operating between 9 and 10.5 MGD. A motor failed on an air compressor during business hours and was repaired, but the backup generator Automatic Transfer Switch (ATS) also failed during a monthly exercise.

The ATS was serviced on June 1, 2022 and was scheduled for a follow up repair during the week of June 13, 2022. However, the generator switchover was only running on the Manual Transfer Switch (MTS) until the ATS could be repaired. The longer switchover delay time could have an impact on pumping operations and pipeline flow from the City of Everett, so AWWD On-Call Duty staff were aware to notify Everett during a power failure.

AWWD's Finance Manager, Loretta Smith Kelty, provided a brief Financial Report for the months of April and May. The Board was asked to ratify expenditures from the month of May in the amount of \$401,541.49. For the month of May, vouchers totaling \$411,113.32 were presented for approval. The balance of CWSA assets as of May 31, 2022, totaled \$1,211,885.65. The District's water utilization was 29.86% of the CWSA total for the month of May.

Following discussion, the Board determined to hold the next meeting in person. The next meeting of the CWSA is scheduled for Wednesday, August 17, 2022, at 3:00 p.m.

b.) Staff Report – EWUC Update

Mr. Brees provided a Staff report to the Board of Commissioners regarding the EWUC meeting.

No District employees were able to attend the EWUC meeting held on June 16, 2022, due to vacation and conference travel schedules. The following is a summary of the current water supply situation and topics discussed at the meeting as provided with the meeting agenda and as reported by other attendees.

Discussion on Revised Lead Copper Rule. A discussion was held at the meeting regarding the Washington State implementation of the Revised Federal Lead Copper Rule. Significant changes are anticipated with the new rule including, new sampling criteria, required sampling at schools and daycares, a requirement to inventory existing service line material (public and private), and service line replacement requirements (public and private). Information is still forthcoming; however, the requirements to inventory and potentially participate in the replacement of private service lines are a significant change. District staff are aware of these issues and awaiting the publication of a final rule. The

impact to the District is not expected to be as significant as other water systems, due to the age of our system and accurate GIS and as-built information that is already assembled.

There is above normal reservoir inflows and snowpack in the watershed for this time of year. As a result, the current reservoir level is being maintained at a lower elevation by power generation/reservoir outflows in anticipation of the inflows. Snowpack is currently 316% of normal, precipitation was 113% of normal in 2021 and is 127% of normal so far this year. The May water usage (production at the water treatment plant) was lower than normal reflecting the current weather and limited demand for outdoor water use.

Biosolids Tolling Agreement. At the time of the meeting, the City had still not hosted a meeting or provided a financial analysis to support the purchase of the property from the City's general government fund by the sewer utility. The City has used this site for biosolids disposal sporadically and purchased it with sewer utility funds from the City's general government. The District and other wholesale customers entered into a tolling agreement to suspend a dispute where the City is seeking for the wholesale customers to reimburse the City for a portion of the land purchase cost as if it were a capital project at the wastewater treatment plant. The term of the tolling agreement will soon expire. The City provided an excel workbook late last week with an estimated rate savings for use of the property for biosolids disposal compared to other private sites. This document is still being reviewed.

Mr. Brees discussed potential next steps after the tolling agreement expires and shared that he is scheduled to meet with the other wholesale customers next week.

c.) **Staff Report – 2023 WCIA Rate Notice**

Mr. Brees provided a Staff report to the Board of Commissioners regarding the 2023 WCIA Rate Notice.

Mr. Brees reported that the District has been provided notice that there will be a substantial change in rates for insurance in 2023. The notice detailed several factors that are leading to increased claims and costs for reinsurance of the risk pool. While WCIA is primarily a risk pool of cities in the state, the District is in a subgroup of other agencies that have similar (lower) risk factors, and we pay lower rates for coverage than the membership. There are other public risk pools available to the District such as the Water Sewer Risk Management Pool (WSRMP); however, the factors driving the increase are impacting the whole insurance market.

For 2022, the District's total pool assessment was \$181,173, with most of the cost (113k) attributable to property insurance coverage.

9.) **STAFF REPORTS:**

a.) **District Engineer:**

Mr. Smith reported the ACE Conference was worthwhile, having attended several good sessions and provided a fresh prospective on new products in the industry. Commissioner Warner and Mr. Berger who also attended, echoed these comments and experiences.

b.) **O&M Manager:**

No further report.

c.) **Attorney:**

No further report.

d.) **General Manager:**

Mr. Brees reported that WASWD and Mukilteo Water and Wastewater District will be hosting a meeting on July 20th, where the presentation of Legislator of the year will be made. An invite as sent via email to each of the Commissioners.

Mr. Brees reported that he will not be in attendance for the July 14th Board meeting as he will be at his daughter's college orientation.

Mr. Brees provided a status update on the District's discussions with the City of Everett regarding the Biosolids Tolling Agreement. The agreement is set to expire on June 30th, 2022. It is anticipated that both the City and the District will request arbitration as the dispute has not been resolved.

This ends the Minutes of the June 23, 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

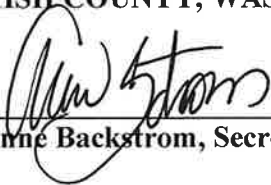
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 June 23, 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 July 14, 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 14th day of July 2022.

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



Anne Backstrom, Secretary