

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

August 11, 2022

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on August 11, 2022, beginning at 5:30 p.m. Attending in person were Commissioners Anne Backstrom, John Warner, and Shauna Willner. Also present in person were Curt Brees District Manager, Scott Smith District Engineer, O&M Manager Ron Berger, Finance Manager Brad Nelson, and Technical Services Manager James Busch. Eric Delfel with Gray & Osborne, Inc. and Curtis Chambers with Inslee, Best, Doezie & Ryder P.S., Attorney for the District attended via video conference. 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 July 28, 2022, were unanimously approved by the Board 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. 18530 - 18595) in the amount of \$322,896.32; Revolving Fund Checks (Check No. 8668 - 8689) in the amount of \$160,116.00, were unanimously approved by the Board and signed as follows:

Fund	Amount
Water Maintenance	\$63,621.51
Water Capital Improvement	15,152.18
Sewer Maintenance	53,829.19
Sewer Capital Improvement	190,293.44
Revolving Check Fund	160,116.00
Total	\$483,012.32

5.) CAPITAL IMPROVEMENT PROJECTS:

a.) Staff Report – Thomas Lake Lift Station Rehabilitation-Change Order No. 1 & Pay Estimate No. 3

Mr. Smith and Mr. Delfel provided a Staff report to the Board of Commissioners reviewing the Thomas Lake Lift Station Rehabilitation Project – Change Order No. 1 and Pay Estimate No. 3.

The District awarded the Thomas Lake Lift Station Replacement Project, in the amount of \$2,476,323.79 including sales tax, to McClure and Sons, Inc. (MSI), on November 23, 2021. Pay estimates will be approved by the Board monthly as needed.

After obtaining a permit from the City of Mill Creek, four trees were removed on the west edge of the site since the roots would have been compromised by the future meter vault. Excavation work was done to start the wet well caisson installation, and additional sections have been added as the caisson is advanced by digging from the inside. Conduit has also been installed in the slab area for the new electrical control building.

Major work included in Pay Estimate No. 3 for the month of July consists of another 15% of the mobilization amount, a small percentage of the lift station replacement lump sum, along with portions of the traffic control, erosion control, dewatering, and electrical bid items.

Five minor design and construction changes have come up so far on the project to start. The biggest item is removal of four trees that had roots in the valve vault excavation area, along with adding a new plug valve, adjusting building foundations to match grade, adding conduit for a future security camera, and adjusting vault penetrations to match actual pipe locations in the field. Eric Delfel, the G&O Project Manager, briefed the Board on the various cumulative items proposed for Change Order No. 1.

The proposed cost for Change Order No. 1 is \$18,776.11, which is available in the project's contingency fund of \$247,631.00. A total of twenty-seven working days would also be added to the contract completion time. The Commissioners asked clarifying questions about the number of additional working days and costs associated with the tree removal.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 3 in the amount of \$124,574.53 and approved Change Order No. 1 in the amount of \$18,776.11.

b.) Staff Report – Pioneer Trails Lift Station – Construction & Permanent Easements

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Pioneer Trails Lift Station – Construction and Permanent Easements.

On March 11, 2021, the Board approved a consultant design contract with Murraysmith for the Pioneer Trails Lift Station Replacement Project. Work has been progressing steadily, and the design work is nearly complete. A site plan was provided to the Board

for review. Environmental permitting is in process with Snohomish County and pending their comments. Discussions have also been ongoing with Pioneer Trails Homeowner Association (HOA) regarding property acquisition.

Pioneer Trails has a 35-foot deep wet well and space is limited on the existing site for new construction, so a permanent expansion of the existing lift station footprint is proposed that would extend 10 feet to the north and 30 feet to the east (a blue line map was provided to the Board). A new permanent easement is also needed for the relocated force main (red lines), as well as a 10-foot temporary construction easement (green lines).

Originally, the expansion of the lift station footprint was planned as a Boundary Line Adjustment (BLA) to simply change the location of the existing District Tract lines. However, the HOA discovered that changing property boundaries is a much more cumbersome legal process on their end, requiring a full vote of all homeowners, adjusting their plat map, etc. It would be much quicker and easier to grant another permanent easement than a BLA. This action could be approved by the HOA Board.

The District completed an appraisal done of the property to assess a value, which established a value of approximately \$1 per square foot since the land is encumbered by wetland restrictions and otherwise unusable. However, the value could be considered at a higher amount by the District since there are limited other construction options. The HOA has also requested consideration of the timber value of the significant trees that would be removed during construction, as well as their associated legal costs to review the easements.

Final approval is still pending from the HOA Board and their legal counsel, but conceptually they have agreed to a value of \$7,500 for all three easements and the timber, plus expected legal costs of approximately \$1,000. Some large hazardous cottonwood trees around the perimeter would also be removed if approved by the County, which benefits both the HOA and the District.

To keep the process moving forward and balance the irregular HOA Board meeting schedule with the District's Board schedule, staff requested in advance, authorization to approve payment and execute three easements with the Pioneer Trails HOA for the lift station replacement project if total costs remain under \$10,000. If exceeded, a future action item will be brought to the Board for approval.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute construction and permanent easements with the Pioneer Trails HOA for the Pioneer Trails Lift Station Replacement Project.

6.) MAINTENANCE & OPERATIONS REPORTS:

a.) Staff Report – Authorize 2023 Vehicle Purchase and Order Placement

Mr. Brees and Mr. Berger provided a Staff report to the Board of Commissioners regarding the authorization for 2023 vehicle purchase and order placement.

The District maintains a small fleet of vehicles and specialized equipment for general operations and utility maintenance. Resolution No. 623, adopted in 2007, authorized a schedule of the vehicles and equipment owned and operated by the District. The resolution also delegated authority to the General Manager to replace equipment according to the schedule that estimated the useful life of each piece of equipment. Annually, the Board of Commissioners review the scheduled replacements and consider any requests by staff to modify or add to the schedule based on the current needs of the District. The list was most recently reviewed on October 28, 2021. For 2022, four vehicles, in addition to assorted equipment and a sewage bypass pump, were scheduled for replacement. All these vehicles and the assorted equipment have been ordered and to date, none of the vehicles have been received, due to supply chain issues and computer chip shortages. One vehicle scheduled for replacement in 2021 and ordered late that year has also not been delivered yet. It is anticipated that two of the five vehicles on order will be received later this year, but staff anticipates that the others will not be delivered until 2023.

Typically, staff would not review and approve the list of vehicles scheduled for purchase in the upcoming year until October, as part of the financial planning process. However, for 2023, we will have to act much sooner. Notice was received from one of the primary dealerships on the State bid stating that the order windows for 2023 production of Ford vehicles will close very soon, (August and September) depending on the model of vehicle.

As part of the financial planning process completed in 2022, only one vehicle was planned for replacement in 2023, Truck No. 44, a 2009 F-350 truck with a utility body. The value estimated for a replacement of this vehicle in 2022 was \$55,000; however, to replace this truck with a similar unit it would likely cost much more, due to the considerable inflation that has occurred. However, staff believes that the District does not require more heavy-duty trucks like the existing vehicle is at the current time, and that a lighter duty vehicle such as a half-ton truck would better suit the District's current needs. Three of the five vehicles on order are heavy duty trucks, (2) F-350 trucks and (1) F-550 truck.

In addition, RCW 43.19.648 and Resolution No. 765 require to the extent practical, that the District should purchase alternative fueled vehicles. Staff believes that hybrid or battery electric vehicles are now practical (increased acquisition cost is offset by lower costs for fuel and maintenance as is the case of electric vehicles) for the proposed use and will seek to purchase either a hybrid or battery electric half-ton pick-up truck.

Any additions or changes to the Equipment Replacement Schedule for 2023 will be considered, as part of the financial planning process conducted later in the year.

Commissioner Warner inquired about the battery life and warranty issues related to electric and hybrid vehicles. Mr. Brees stated that the manufacturers provide extended warranties on these components and that battery electric vehicles have now been on the road for ten plus years without significant rates of failure.

Following discussion by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the purchase of one lighter duty vehicle (half-ton truck)

scheduled for replacement in 2023. While state bid pricing is not yet available, it is anticipated that the cost will be lower than the \$55,000 amount included in the 2022 Financial Forecast.

7.) INTERAGENCY REPORTS:

a.) Update on Biosolids Tolling Agreement with the City of Everett

Mr. Brees and Mr. Chambers provided an update to the Board of Commissioners regarding the Biosolids Tolling Agreement with the City of Everett, reviewing the timelines associated with expiration of the agreement and summarizing the discussions with the other Districts regarding how to proceed.

8.) STAFF REPORTS:

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson provided an update regarding a property that is occupied by squatters that had previously been disconnected for nonpayment. Residents had undertaken significant efforts to reconnect illegally, bypassing the District locks. Ultimately, District staff disconnected the service in the street and crimped the line. Residents and the property owners have communicated that there is a Court order to vacate the property mid-August. Ultimately, the property owner will be responsible for the District's additional costs.

Mr. Nelson reported that the District has received the first payment on behalf of low-income customers from the Snohomish County LIHWAP. With this payment, several customers with large installment balances received assistance and the total balance of all installment accounts is now less than \$50,000.

c.) O&M Manager:

No further report.

d.) Technical Services Manager:

Mr. Busch reported that he had spent the day assisting the City of Lake Stevens serving on an interview panel.

e.) Attorney:

No further report.

f.) General Manager

Mr. Brees reported that the District had received preliminary notice of a grant award from the state to install solar panels on the District's Headquarter building. The application was prepared by Brian Malen, IT Technician who has a strong interest in sustainability efforts by the District.

This ends the Minutes of the August 11, 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

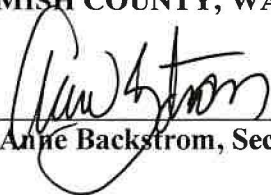
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 August 11, 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 August 25, 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 25th day of August 2022.

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



Anne Backstrom, Secretary