

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

August 25, 2022

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on August 25, 2022, beginning at 5:30 p.m. Attending in person were Commissioners Anne Backstrom, John Warner, and Shauna Willner. Also present in person was General Manager Curt Brees, O&M Manager Ron Berger, and District Engineer Scott Smith. Curtis Chambers with Inslee, Best, Doezie, and Ryder P.S., Attorney for the District, attended by video conference/teleconference. 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 Warner called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of August 11, 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. 18596 - 18654) in the amount of \$1,033,465.13; Revolving Fund Checks (Check No. 8690 - 8713) in the amount of \$11,323.79, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$110,153.96
Water Capital Improvement	2,164.92
Sewer Maintenance	888,970.29
Sewer Capital Improvement	32,175.96
Revolving Check Fund	11,586.00
Total	\$1,045,051.13

5.) DEVELOPMENT PROJECTS:

a.) Staff Report – Unsewered Enclave Request

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Unsewered Enclave Request.

In July 2022, a Water/Sewer Availability Request was received for a lot in the Silver Acres area located at 12627 Waltham Drive. The property was sold at the end of 2021

and the new owner has torn down the previous mobile home with plans to construct a new single-family residence. As part of the building permit process, Snohomish County requires an Availability response from the District. The District's response was that water service was available, but not sewer.

This lot is located in a sewer subbasin that currently does not have gravity service available, or even nearby. As seen by the purple future service lines in a Vicinity map provided to the Board, this area would flow south towards 132nd Street SE, cross under State Highway 96, and ultimately connect to an existing sewer manhole on Dumas Road. This would require the installation of approximately 1,800 feet of new sewer main, and the cost could be around \$750,000.

Typically, within the Urban Growth Area (UGA), any new construction project is required by Snohomish County and the Health District to connect to sanitary sewer if currently on septic. There are exceptions allowed in Snohomish County Code Section 30.29.100(1) but requires the designation of an Unsewered Enclave and an agreement with the District for future service when available. The property owner has requested and agreed to enter into such an agreement with the District. The Future Sewer Connection Agreement was provided to the Board for review.

A request and agreement were approved for a new duplex at 12212 9th Avenue SE in October 2019, in a similar situation. Given the location of the subject property on Waltham Drive, distance and cost associated with the installation of a new sewer main for gravity service, and the nature of the proposed construction of one single family residence, staff recommended to approve a Future Sewer Connection Agreement with the property owner at 12627 Waltham Drive.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute a Future Sewer Connection Agreement with the Property Owner at 12627 Waltham Drive.

6.) MAINTENANCE & OPERATIONS REPORTS:

a) Staff Report – Fuel Tank Maintenance

Mr. Berger provided a Staff report to the Board of Commissioners regarding the Fuel Tank Maintenance.

Recently, while performing routine monthly Generator exercises, it was noted that the Headquarters Diesel Generator was not operating properly, and it was smoking excessively. District personnel removed an inline fuel filter and noted that it was dirty with sediment. The fuel filter was cleaned, and staff placed the Generator under a load bank test in which the Generator ran fine. The same filter was removed after the load testing, and it was noted that the filter was very dirty with sediment once again.

Jeremy Hankla, Utility Maintenance II (Facilities) noted that from previous workplace experience, a best practice for fuel tank maintenance is to test and clean fuel supplies on a periodic schedule because of microbial growth, water, and sediment accumulation that occurs. FuelCare Tank Cleaning was contacted and came out to polish (clean via

filtration) the fuel at the District's Headquarters site. In addition to a large amount of sediment removed, 265 gallons of diesel was removed from the tank because of water contamination. An application of Biocide was added to the fuel tank and will remain there until it is filled again. There will be one more cleaning to remove additional sedimentation from the tank. The same results occurred for the Unleaded and Diesel Fuel dispensing tanks at the Reservoir No. 4 site. In this initial round of maintenance, staff prioritized the tanks that dispense fuel to vehicles and other tanks.

In follow-up to the initial work, 15 other Diesel Generator Fuel tanks were sampled and prioritized for a future maintenance program to clean the fuel and to prevent sedimentation and water contamination. A Sampling report was provided to the Board, which provided prioritization of which fuel tanks need service.

A report detailing the sediment and water that was removed from the Headquarter Diesel Fuel tank was provided to the Board of Commissioners.

For the initial work, which was performed on a reactive basis to correct an identified problem, staff contracted with FuelCare based in Lynnwood. They are willing to perform work on a prevailing wage basis and have been very responsive to District needs. FuelCare currently contracts with the Alderwood Water & Wastewater District's fuel polishing work, including the Clearview Pump Station Generator.

Staff recommended contracting with FuelCare to perform the remaining work that has been prioritized for maintenance this year. For subsequent years, staff will research and recommend an approach for fuel tank maintenance.

Options to be evaluated for future years include:

- Obtain quotes from other like firms and FuelCare to perform work on a contract basis
- Research purchasing test kits and/or equipment to sample the tanks and perform the cleaning and polishing work using District staff
- Combination of contract work and work by District staff utilizing equipment based on the size of the fuel tank and costs

Staff requested the Board to authorize staff to contract with FuelCare to complete the prioritized tank cleaning for 2022 at an estimated cost of \$12,171.77. This estimate prioritizes the five worst tanks from the sampling analysis, leaving approximately 10 lower priority tanks to place on a maintenance schedule over the next two years.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute a contract with FuelCare to complete the prioritized tank cleaning for 2022 at an estimated cost of \$12,171.77.

b) Staff Report – Sewer Cross Bore Repair

Mr. Berger provided a Staff report to the Board of Commissioners regarding the Sewer Cross Bore Repair.

The District is currently completing the second round of the CCTV inspection work of its older concrete sewer lines. In July, while CCTV inspection crews were working, a sewer cross-bore was noted located at 13513 54th Avenue SE, Everett. District staff called in a locate and determined that there was a communication cable running across the street with a Verizon (now Ziply Fiber) box on the side of the street where the cross- bore was located.

On August 9, 2022, District crews excavated the concrete sewer line at the cross-bore site to make the repair. The pipe was approximately 8' deep at the repair site. Crews built a shoring box for this excavation, cut out the broken concrete piping, and installed a piece of 8" PVC using Fernco repair adaptor couplings. Crews excavated the Ziply Fiber communication line each direction to achieve enough slack in the line and was able to maintain separation above the concrete sewer line when bedding the pipe. The repair pipe was bedded in pea gravel and the excavation site backfilled and compacted using 5/8" imported crush gravel. Final paving was completed by District crews. No sewer backups or issues resulted from this cross-bore incident.

Several attempts have been made by staff to notify Ziply Fiber of the cross-bore along with requests to have a representative present at the site for repairs, but they did not respond until after the work was completed. District staff, using the Lucity Asset Management System, have captured all the time and material costs to-date and plan to submit a claim to Ziply Fiber for these damages.

7.) INTERAGENCY REPORTS:

a) Staff Report – CWSA

Mr. Brees provided a Staff report to the Board of Commissioners regarding the Clearview Water Supply Agency Meeting on August 17, 2022.

Commissioner John Warner and General Manager Brees attended the Clearview Water Supply Agency (CWSA) Meeting held on August 17, 2022; the meeting was held virtually via Teams. The meeting agenda included Maintenance and Financial updates, including approval of the July Vouchers and June Disbursements. Paul Richart, Capital Projects Manager for AWWD, provided an update on the Capital Facilities Plan.

AWWD M&O Superintendent, Joe Skeens, provided an update on the operations of the Clearview Pump Station during the months of June and July. It was reported that there was one afterhours callout during this period due to a power fault. In addition to several routine tasks completed at the site by AWWD staff, repairs to the Automatic Transfer Switch (ATS) were completed by Eaton. This work did require short term shutdowns of the station that were coordinated with operations staff from each agency to reduce pumping demands. Repairs to the ATS are considered complete, but replacement of this critical component will be highly prioritized in the Capital Facilities Plan. Overall demand at the station is high, with a fixed speed pump operating together with one of the

VFD pumps. In June, the Station averaged 12 MGD in July; the average was above 15 MGD.

AWWD's Finance Manager, Loretta Smith Kelty, provided a brief Financial Report for the months of June and July. The Board was asked to ratify expenditures from the month of June in the amount of \$401,541. For the month of July, vouchers totaling \$582,600 were presented for approval. The balance of CWSA assets as of July 31, 2022, totaled \$781,772.24. The District's water utilization was 40.25% of the CWSA total for the month of July.

Paul Richart reported that work on the Capital Facilities Plan is proceeding by BHC, and it is anticipated that the Board will begin reviewing the draft sections plan at the next meeting.

The next meeting of the CWSA is scheduled for Wednesday, October 19, 2022, at 3:00 p.m. It is not clear if this meeting will be conducted in person or virtually.

b) Staff Report – EWUC

General Manager Curt Brees and District Engineer Scott Smith attended the EWUC meeting held on August 18, 2022. Agenda topics included updates from Department of Health Staff, a Conservation Program report, an update on the water supply, an extended discussion on the Lead Copper Rule, capital project updates, and an update from City staff on projected rate increases.

Holly Meyers, the new head of the Drinking Water Division of the Department of Health, attended the meeting. Following an introduction, Ms. Meyers was provided with a history of the meeting group and background information about the Everett Water system and its wholesale customers. Ms. Meyers spoke about current areas of focus for the Department of Health including, the Lead Copper Rule, PFAS regulations, and SFR funding.

Apryl Hynes provided an update on the regional conservation programs classroom education plan for the 2022-2023 school year. For the coming year, the focus will be returning to in-person classroom workshops; however, with some schools still online there will be options for virtual sessions. Ms. Hynes also reported that she is in the process of reordering water conservation kits.

Jennifer Bailey reported the water supply situation is good with reservoirs holding an above normal volume of water. The outlook for coming months is also good with adequate supply for demand forecasted through the end of the year. It was reported that the regional water production was lower than recent averages, matching the District's consumption pattern through the first half the year. The Water Supply Fact Sheet and Water Storage Graph were provided to the Board for review.

A discussion was held at the meeting regarding the Revised Federal Lead Copper Rule and the recent publication of the Service Line Inventory Guidance. 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). Final rules are still forthcoming; however, the requirements to inventory and potentially participate in the replacement of private service lines are a significant challenge. 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; however, the service inventory must be complete by October of 2024. Department of Health staff were not able to provide any firm details of what a Washington State specific rule will look like (if there is one) or when it would be available.

City staff provided various Capital Project updates including a report on the Reservoir No. 2 project, Reservoir No. 3 project, and Generator replacement at the Water Filtration Plant. The Reservoir No. 3 project update was noteworthy in that the City has shifted its focus from a rehabilitation project to a reservoir replacement project. The facility is a very large reservoir (20 MG), and this will now be a large project with potential rate impacts in the future.

Matt Welborn reported that the Department will be presenting rate increases to the City Council for implementation in 2023. This is sooner than planned, due to the impacts of inflation. Rate changes will increase costs to the District for the wholesale purchase of water directly from Everett. The cumulative impact of changes is estimated at 7%-8% per year for the next two years.

Following the EWUC meeting, a Wholesale Sewer Customer meeting was held where the City presented estimated expenses for capital projects at the Wastewater Treatment Plant. There were no noteworthy changes to report. General Manager Brees stated that the Districts would soon send the City a letter regarding the Biosolids property purchase.

c) Update on Biosolids Tolling Agreement

Mr. Brees and Mr. Chambers provided an update to the Board of Commissioners regarding the Biosolids Tolling Agreement. A copy of the letter and records request sent to the City on August 19 was reviewed with the Board of Commissioners. The letter is an attempt to see if the City will reconsider its position without the need for Arbitration. If Arbitration is required, notice is due before the end of September according to the terms of the Biosolids Tolling Agreement.

d) Update on PEBB Rates for 2023

Mr. Brees provided an update to the Board of Commissioners regarding the PEBB rates for 2023. The District obtains employee health insurance via the States PEBB program. Over the past few years, the annual increases in costs have been very modest; however, for 2023 they will be very significant. PEBB provides notice in August of the rates for the upcoming year, and for 2023 they will be more than 10%. This increase is in line with the rates for health insurance in the Washington State marketplace. These costs will be reviewed in detail as a part of the 2023 Financial Plan development.

8.) STAFF REPORTS:

a.) District Engineer:

No further report.

b.) O&M Manager:

No further report.

c.) Attorney:

No further report.

d.) General Manager:

Mr. Brees reported that the mailbox located at the District office was broken into on Wednesday August 17th in attempt to steal mail. The incident was observed by staff and recorded by security cameras. At the time of the break-in there was no mail in the box. The incident was reported to the sheriff's office and the postal inspector. High quality images of the individual and vehicle were provided to police. A new more secure box has been ordered, and staff are sending and receiving mail at the post office until it is installed.

Mr. Brees briefed the Board of Commissioners on discussions with a commercial property in the District that has been remodeled several times. On this property the water main, hydrants, sewer main, and manholes were not conveyed to the District by a bill of sale and the easement is incomplete. The property owner is willing to convey this infrastructure to the District and grant a new easement clarifying ownership and maintenance responsibilities. The General Manager requested approval via motion to use an on-call engineering service to prepare the easement exhibit.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to utilize an on-call engineering service to prepare the easement exhibit.

This ends the Minutes of the August 25, 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

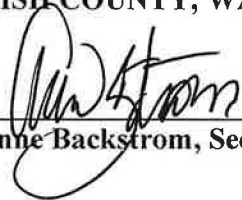
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 25, 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 September 8, 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 8th day of September 2022.

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



Anne Backstrom, Secretary