

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

September 22, 2022

The special meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on September 22, 2022, beginning at 4:30 p.m. Attending in person were Commissioners Anne Backstrom, John Warner, and Shauna Willner. Also present in person was District Engineer Scott Smith, Technical Services Manager James Busch, and Finance Manager Brad Nelson. General Manager Curt Brees 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 4:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of September 8, 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. 18711 - 18772) in the amount of \$658,117.50; Revolving Fund Checks (Check No. 8747 - 8761) in the amount of \$16,286.44, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$400,372.24
Water Capital Improvement	19,678.37
Sewer Maintenance	217,330.01
Sewer Capital Improvement	20,736.88
Revolving Check Fund	16,286.44
Total	\$674,403.94

5.) DEVELOPMENT PROJECTS:

a.) Staff Report – 3rd Quarter CIP Update

Mr. Smith provided a Staff report to the Board of Commissioners regarding the 3rd Quarter CIP update.

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.

Past practice has been for the Board to accept the Bills of Sale, cumulatively, at the end of each quarter. Two DE projects were completed in the 3rd Quarter of 2022. At least two more DE projects are in the closeout stage for potential 4th Quarter reporting.

The projects have completed construction and the District is in receipt of the respective Bills of Sale. A summary spreadsheet was provided to the Board of Commissioners that identified the infrastructure value on each project in the 3rd Quarter of 2022. Staff requested the Board of Commissioners acknowledge acceptance of the Bills of Sale for the following development projects:

- Bakerview Phase 1, Landfill Closure – Short water main extension with fire hydrant. Construction of Phase 2 subdivision work for 97 lots and a new sewer lift station is underway.
- Brasswood Onsite Sewer – Onsite sewer facilities for 60 lots with Cross Valley water service. Note that the new sewer lift station is operational but final acceptance is pending a commissioning period after regular customer flow is received.

The value of the developer contributed facilities received by the District in the 3rd Quarter of 2022 is \$326,820.44.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners accepted the Bills of Sale for 3rd Quarter of 2022.

6.) CAPITAL IMPROVEMENT PROJECTS:

a.) Staff Report – 3rd Quarter CIP Update

Mr. Smith provided a Staff report to the Board of Commissioners regarding the 3rd Quarter CIP update.

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 3rd Quarter of 2022 was provided to the Board of Commissioners. Several completed projects have been removed from the list, which also included Developer Participation work. In addition, a Status Matrix of Developer Extension (DE) projects was provided for the Board's information.

During the Board meeting of September 22, 2022, staff provided a summary of active projects for discussion by the Board.

b.) Staff Report – Master Meter No. 3 – Pay Estimate No. 5

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Master Meter No. 3 – Pay Estimate No. 5.

The District awarded the construction contract for the Master Meter No. 3 Relocation Project to New West Development, on April 8, 2021. Pay estimates have been approved by the Board monthly as needed, and the project was deemed complete and accepted on April 28, 2022.

After the final prevailing wage paperwork was completed by the contractor and their sub-contractors, District staff sent the project Notice of Completion to the State Departments of Revenue, Employment Security, and L&I. All three release letters have been received from the state agencies, and the contractor's 5% retainage can now be released.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 5 for release of the project retainage in the amount of \$19,019.12.

7.) MAINTENANCE & OPERATIONS REPORTS:

a) Staff Report – District Solar Project

Mr. Busch provided a Staff report to the Board of Commissioners regarding the District's Solar Project.

District staff applied for the Washington State Department of Commerce Solar Retrofit Grant and was successful in acquiring \$75,000 in funding to put towards installing 100 KW of solar power at the District Headquarters. In total, the state grant awarded \$1.4 million to 14 different projects, adding over 1 MW of power generation to public buildings. There have been some changes to the project since the conception, including the possibility of receiving rebates of the project cost via new Federal Government legislation. The District is in discussions with MZ Solar Consulting to assist with the bid process (developing specifications) and if needed, support during construction and system commissioning. The next step is completing the Washington State Department of Commerce Intake Survey that includes a preliminary budget, scope of work, and a match letter, detailing the source of District funds.

According to preliminary proposals, the estimated project cost will be \$325,930, including \$30,000 of contingency funding and \$75,000 awarded by the Commerce Grant. The match letter confirms that the District will provide \$250,930 in cash contributions for the project; however, this is subject to change based on results from the bid process.

Work with the Department of Commerce will happen within the next month to finalize the contract with the District. A consultant will work with the District to finalize the bid documents, and proposals would be accepted at the end of the year. The District expects installation work to start in early 2023, possibly March or April, with construction taking less than a month. Commissioning and closing of construction could be as early as May of 2023.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to sign the match letter addressed to the Department of Commerce. The solar design consultant is preparing a proposal and scope

of work that will need to be approved, and a professional services agreement will need to be established with them.

8.) STAFF REPORTS:

a.) Finance Manager:

Mr. Nelson reported the August-to-August CPI-W at 9.226% and he is forecasting October to October CPI-W at greater than 9%.

Mr. Nelson reported that the downward economic trends are impacting customers with the District seeing more returned items and struggling customers. Staff has had to make more extended extended arrangements; these arrangements are to be paid by the end of the next month.

The District also received notice from Snohomish County that the next phase of the customer assistance program will begin October 3, 2022. The District has provided staff contacts but has concerns about how effected customers will be notified about the program.

b.) District Engineer:

No further report.

c.) Technical Services Manager:

No further report.

d.) General Manager:

Mr. Brees reported that he expects to be back in the office tomorrow and does believe he will still be able to attend the WASWD Fall Conference next week.

This ends the Minutes of the September 22, 2022, special 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

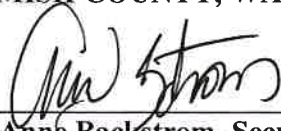
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 September 22, 2022 special 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 October 13, 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 13th day of October 2022.

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



Anne Backstrom, Secretary