

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

October 27, 2022

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on October 27, 2022, beginning at 5:30 p.m. Attending in-person were Commissioners John Warner and Shauna Willner. Also present in person was General Manager Curt Brees, O&M Manager Ron Berger, District Engineer Scott Smith, Technical Services Manager James Busch, and Finance Manager Brad Nelson. Commissioner Anne Backstrom, Eric Delfel with Gray & Osborne, and Curtis Chambers with Inslee, Best, Doezie, & Ryder, P.S attended by via 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 October 13, 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. 8801 - 8833) in the amount of \$798,837.60; Revolving Fund Checks (Check No. 18855 - 18913) in the amount of \$100,945.77, were unanimously approved and signed as follows:

<b>Fund</b>	<b>Amount</b>
Water Maintenance	\$331,203.88
Water Capital Improvement	168,523.15
Sewer Maintenance	190,163.09
Sewer Capital Improvement	108,947.48
Revolving Check Fund	100,945.77
<b>Total</b>	<b>\$899,783.37</b>

**b. Staff Report –Financial Report – September 30, 2022**

Mr. Nelson provided a Staff report to the Board of Commissioners regarding the Financial Report – September 30, 2022.

The Board of Commissioners are provided a Quarterly Financial Report that outlines the District's financial information for the quarter and the year to date. The financial

information contained within the report are considered Pre-closing reports and does not include accrued information for revenues and expenses.

The District's Third Quarter Pre-closing Revenues from all sources are \$23,295,763. This was an increase of \$95,428 compared to the Third Quarter of 2021. The most significant reason for this slow revenue growth was an increase in Charges for Services revenues, \$2,599,023, mostly offset by a significant decrease in New Connection Revenues, which are down \$2,480,706, through the Third quarter. A Table was provided to the Board that outlined the Total Revenues from 2021 and 2022. Additionally, tables were provided to the Board that outlined the District's historic Bills of Sale (Donated Water and Sewer Systems) and New Connection Fee (Cash paid by New Customers as a General Facility Charge) revenues from 2014 to 2022.

Special Connection Fee collections are not included with the new connection revenues data since they represent repayment of the District's investments in projects to serve new customers. The District has collected \$398,142.70 in Special Connection Fees on outlays of \$2,789,395.56. It was noted that the District collected a special connection fee for 60 lots in October (fourth quarter) for Brasswood Estates, which is within the Sector 7 Lift Station benefit area. This will amount to an additional \$50,856.00 in Special Connection Fees in 2022. A Table was provided to the Board that outlined the District's collection of Special Connection Revenues since their inception.

The District received \$2,599,023 more in Water Service Revenues, mainly attributed to the rate increase that was implemented in May 2022; customer water consumption (measured in units, where one unit equals 100 CF) significantly decreased for the Third Quarter by 3.55% or 162,022 units. However, September consumption, based on the dryer and hotter weather late July through early September, spiked consumption to 104% of 2021 September. Three Tables were provided to the Board that showed customer water consumption in units over time.

The District's total expenses for the Third Quarter of 2022 were \$17,433,994, which is an increase of \$1,882,757 compared to the Third Quarter of 2021. As with previous reports, the 2021 invoice delay by the City of Everett is skewing the financial presentation. The largest operating costs continue to be purchased water and sewer treatment services, which totaled \$7,664,931. Currently, the District's Net Income through September 30, 2022, is \$5,861,769, which is a decrease from 2021 of \$1,812,622. This financial reporting from delayed invoices is expected to continue until the fourth quarter of 2022.

As of October 12, 2022, the District currently has nine accounts, out of 18,645 metered water connections, delinquent with a property lien filed. The total delinquent amount of these nine accounts with a filed property lien is \$20,958.39. On October 30, 2021, the District created Installment plans for 195 customers totaling \$188,293.73. As of October 12, 2022, only 81 customers remain on Installment plans totaling \$34,749.01.

The District's cash and investments totaled \$54,847,684.32, which was an increase of \$4,415,549.39 from September 30, 2021.

Included with the Financial Report are the Capital Project Summary Reports for the District's various major Capital projects.

The Board of Commissioners discussed the Financial Report with staff and thanked Mr. Nelson for the report.

**c. Staff Report – 2023 Salary and Wage Report**

Mr. Brees and Mr. Nelson provided a Staff report to the Board of Commissioners regarding the 2023 Salary and Wage Report.

The District's third largest expense, behind sewer treatment/water wholesale costs and capital improvements are salaries, wages, and benefits. The 2023 Salary and Wage Forecast conveys the expected changes to the District's labor costs, due to inflation (CPI-W), employee benefits costs, taxes, and the composition of the District's labor force (number of employees). Currently, the District has 35 full-time equivalent employees, a part-time Utility Clerk, a part-time Electrician, and up to five Temporary Worker positions (Interns or Seasonal Maintenance Workers), only two of which were filled at some point in 2022, due to the competitive labor market.

In addition to wages, District full-time employees and regular part-time employees that work 30 hours or more per week, are provided a fixed monthly stipend to purchase medical, dental, and vision insurance coverage for the employee and eligible dependents. After purchasing coverage, 75% of any remaining stipend is transferred to a Health Reimbursement Arrangement (HRA or MVEBA). The total stipend amount is currently at \$2,265 per month.

The District is also required by law to pay for FICA, Medicare, Washington Public Employees Retirement (PERS I, II, III), and Industrial Insurance (L&I). The rates for these programs are determined by either the Federal Government or the State of Washington. The 2023 Salary and Wage Forecast also includes the costs for Commissioners.

The General Manager is recommending the Board of Commissioners review individual employee performance adjustments later in November, with a second discussion in December after the CPI numbers for October have been released. The General Manager is evaluating the reclassification of two existing positions, to new positions titled GIS Coordinator and Pump Mechanic, that better encompass their current duties. In addition, an employee has met the eligibility criteria to move from a Utility Clerk I position to a Utility Clerk II position at the Front Counter. The 2023 cost estimate of these reclassified positions is based on a 5% adjustment to the employees' existing salary. The General Manager will provide a draft job description and recommended salary, based on a comparison to peer agencies for each position in December when the Board is presented the 2023 Salary and Wage resolution.

The Board of Commissioners annually reviews the October-to-October CPI-W as an inflation index adjustment. The estimated 2022 October-to-October CPI-W for the Seattle-Tacoma area is 9.76%. The total forecasted salary and benefit costs of a 9.76%

COLA is \$412,329. The actual October-to-October CPI-W will be released in November. Staff will provide the final October-to-October CPI-W in the December update. In addition, the General Manager's November discussion regarding employee performance increases will include estimated cost in 2023 of \$56,334, this is based upon an average merit increase of 2.00%. The General Manager is recommending less merit adjustments to prioritize maintaining COLA increases, since inflation has been so significant on all District employees.

The District's overtime usage can be a difficult labor cost to estimate, since it is highly dependent on unanticipated after-hour emergencies, the specific employee assigned to the event, and whether the event happens on a weekday (1.5\*rate), weekend or holiday (2.0\*rate). Most of the District's overtime usage is related to field and maintenance needs, though about 40-50 hours annually are dedicated to office staff for shut-off day or travel for training events. For 2022, the District is returning to its historic overtime usage for both Operations and Finance. For Finance staff, the overtime usage relates to shut-off days and the day after shut-off. For Operations, the increase in overtime was attributable to standby overtime. For planning purposes, we are planning a small reduction for Executive, GIS/IT, and Finance, while keeping Operations at their 2021 estimate of 845 hours.

In addition to overtime costs, District Field staff are required to perform Standby Duty. This provides the District with a 24-hour, 7-days a week response to customers, the SCADA System, and other field maintenance needs. In 2013, the District started assigning a second employee to Standby Duty for midweek holiday days and holiday weekends. In 2020, the District started assigning a second Duty person to mid-week holidays and certain weather events.

The District started 2022 with one part-time Utility Clerk at the front counter, a part-time Project Electrician, and two Seasonal Workers. For 2022, the General Manager is recommending continuing the authority to hire up to three summer Seasonal Workers for Operations and one for IT to assist in the collection and conversion of GIS data.

The District pays FICA, Medicare, and Workers Compensation for part-time or seasonal employees. The District pays for PERS for the part-time Utility Clerk and would for an IT Applications Developer Integrator. A Table was provided to the Board that outlined the estimated costs for the District's seasonal and part-time labor resources:

The District is served by a three-person elected Board of Commissioners. Commissioners are compensated at a per-meeting-rate of \$128.00. This rate is established by RCW 57.12.010. Historically, the meeting rate is adjusted every five years by the State of Washington's Office of Financial Management based on CPI, with the last adjustment effective July 1, 2018. However, new legislation has changed the next implementation date to January 1, 2024. RCW 57.08.100 authorizes Districts to provide Commissioners with the same health, group, or life insurance coverages, as their employees. The District is required to pay Federal FICA and FICA Medicare for Commissioners, and elects to cover the Commissioners for Washington State L&I. The total Commissioner compensation for 2023 is estimated to be \$86,258.

The District provides regular full-time staff a \$250.00 per month 457K matched contribution and \$125.00 per month for regular part-time employees. Currently, there are 35 regular full-time and 2 part-time employees taking part in the program. For 2023, we are forecasting all eligible employees will take part in the program for an annual cost of \$107,400.

The District provides full-time regular employees with a monthly pre-tax benefit of \$2,265 to purchase medical, dental, vision, and MVEBA benefits. This amount was increased from \$2,240 in 2022. The employee's MVEBA account can then be used to pay for medical costs, including deductibles, COBRA Health Insurance costs, prescription drugs, medical equipment, or other non-covered medical expenses. Once an employee has selected their medical, dental, and vision coverage, the employee can then transfer 75% of any remaining funds to their MVEBA Account.

Staff recommended retaining PEBB for medical and vision benefits, and MetLife for dental. Staff is still evaluating options for long-term disability, and life insurances. District employees will start open enrollment in November 2022. The 2022 PEBB rates had an increase of approximately 10% for the lowest cost options – UMP. This has a cost increase with the most used plan increase between \$86.68 to \$238.49 per month depending on the number of covered dependents. Dental insurance rates increased slightly, approximately 3%, depending on coverage levels. The District's MVEBA stipend will not fully cover the increase for family coverage. A \$260.00 per month increase to the Stipend would bring the amount to \$2,525 per month. An employee with full family medical and dental coverage would also have a monthly HRA deposit of \$12.12. The net increase to the District's costs for medical, dental, vision, and MVEBA is \$81,900. The General Manager requested direction from the Board so that staff may proceed with the open enrollment. Based on this direction, a resolution will be prepared for future Board action before the end of the year.

Since the District pays January 2022 medical and dental insurance premiums with the December payroll process, staff recommended the District's Board adopt the HRA VEBA increase in November, effective for the December payroll. This would increase 2022 benefit costs just under \$6,825.00 for the December payroll.

The District is required to participate in Washington State's Public Employee Retirement Systems (PERS) for all PERS covered positions. Both the employer and the employee contribute to PERS, based on a percentage of gross monthly salary. PERS I and II are defined benefit programs and PERS III is a defined contribution program. In July 2022, the State increased the employer rate from 10.25% to 10.39%. The State has not released new PERS I and II rates yet.

The District is required to participate in Washington State's Worker's Compensation (L&I) for all employees. The District pays the L&I premiums based on a fixed cost per hours worked. L&I provides employees with benefit coverage when they are injured on the job. The Department of Labor has announced plans to change rates in 2023 by 1.49%, which would cost the District \$938. However, due to the COVID-19 Pandemic and the State's brewing budget crisis, staff would not be surprised to see a higher mid-year

increase. The District has joined a retroactive pool for 2022 and the 2023 forecast does not provide an assumption for either a cost savings or cost increase as it would not be realized in 2023.

The District is required to participate in the Federal FICA and Medicare Programs. Both the employer and the employee contribute to FICA, and Medicare is based on the employee's gross salary. The 2023 Salary and Wage Forecast does not provide an increase in either FICA or Medicare; however, as stated before, staff anticipates the cost of Health Care Reform to impact the District's future Financial Statements.

The State of Washington's new Paid Leave Program started having employee premiums paid in 2020. The employee rate is .3590%. The State is forecasting this employee rate to increase to .58208% starting January 1, 2023. Since the District has less than 50 employees, there is not an employer portion. The District amended its paid time off rules to address recent rule adoptions by the Department of Labor.

Based on the following assumptions, staff anticipates the District's total labor costs to be \$4,334,832 in salaries and \$1,771,989, in benefits. The largest single labor group is the regular full-time employees, at a forecasted 2023 cost of \$4,069,356 in regular salary and \$1,836,723 in benefits. Tables were provided to the Board that outlined 2023 Total Salary and Benefit Costs, 2023 Detailed Forecasted Salaries and Benefits, the District's current Organizational Chart, and the historical and forecasted CPI-W.

Staff requested the Board of Commissioners discuss the 2023 Salary and Wage Report and direct staff on 2023 proposed changes to the labor assumptions and the 2023 COLA and VEBA Stipend increase.

The Board of Commissioners discussed the 2023 Salary and Wage Report and directed staff to proceed with 2023 proposed changes to the labor assumptions with the 2023 COLA and VEBA Stipend increased to \$2,525.00.

**5.) CAPITAL IMPROVEMENT PROJECTS:**

**a.) Staff Report – 2022 Valve & Manhole Project**

Mr. Smith provided a Staff report to the Board of Commissioners regarding the 2022 Valve & Manhole Project.

The District awarded the 2022 Valve and Manhole Adjustments Project, in the amount of \$297,020.66, to Quilceda Excavation, Inc. on April 28, 2022. The scope of work consists of approximately 70 valve and manhole adjustment sites at 20 locations around the District, which involves five different sales tax rates. The scope also includes two associated asphalt patch repair sites, along with utility adjustment work along 132<sup>nd</sup> Street SE that was deferred from the 2021 Unit Price Paving Contract.

Work began on June 23, 2022, and most of the initial work through early August was on 132<sup>nd</sup> Street SE (Schedule A). Pay Estimate No. 1 was approved by the Board on July 28, 2022.

Quilceda has continued working around the District and completed the adjustment and paving work at all sites prior to the contract deadline. Only two sites remain with punch list work, and the project was deemed substantially complete on October 15, 2022. The contractor has requested payment for documented and verified work completed through substantial completion in the amount of \$179,375.95.

Overall, the project is on track to be completed under budget. There will be one last regular pay estimate after the punch list items are completed and final quantities are resolved, then a final retainage release after the typical State paperwork items are completed.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 2 in the amount of \$179,375.95.

6.) **MAINTENANCE & OPERATIONS REPORTS:**

a) **Staff Report – WAWARN**

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Washington Water/Wastewater Agency Response Network (WAWARN).

As a requirement of the America's Water Infrastructure Act, a Risk and Resiliency Assessment (RRA) was completed on the District's infrastructure in December 2020 by the consulting firm of Varius, Inc. As part of the RRA, the consultant provided a list of recommended projects and actions that should be taken by the District in the next 12–36 months. One of those recommended action items was to join the Washington Water/Wastewater Agency Response Network (WAWARN) ( <https://wawarn.org/>).

A presentation was made on WAWARN at the end of the Fall WASWD Conference in September, and it is a network of utilities that offer the ability to request assistance and share resources during an emergency. A request can be sent out by members for materials, equipment, staff, or other resources needed during an incident (i.e., we need a 16-inch valve and a backhoe during a water main break), and other agencies can respond if they want to help. There is no obligation to respond, no cost to participate, and requests can be made without a formal declaration of emergency.

Most other nearby agencies are members of WAWARN, including Alderwood Water & Wastewater District, Cross Valley Water District, Mukilteo Water and Wastewater District, Northshore Utility District, and many cities. Staff recommended to authorize the General Manager to execute a Mutual Aid Agreement to join WAWARN.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager and District Attorney to execute the Mutual Aid Agreement with WAWARN.

b) **Staff Report – GIS Consultant**

Mr. Busch provided a Staff report to the Board of Commissioners regarding a GIS Consultant.

The District utilizes ESRI's ArcGIS software to track spatial and feature data throughout the District. ESRI is the pioneer of Geographic Information System (GIS) software and considered the gold standard. In 2014 the District brought GIS in-house with a dedicated staff resource. Since then, the use of GIS has expanded into all facets of District operations. Our GIS exchanges data with multiple District systems including utility billing, asset management, and cross connection control. Multiple GIS applications have been created by the District's GIS Analyst to support various tasks, such as: service disconnections, CCTV inspections, sewer main cleaning, water main flushing, system valve inspections, hydrant inspections, and daily O&M tasks. Ad-hoc maps can be created to facilitate numerous immediate needs, such as easily identifying which customers are tied to a section of water main and will be impacted by a shut off. We also use GIS to exchange data with outside agencies for things like root control, developer project coordination, and interagency cooperation. The District's GIS Analyst now spends much of her time developing and supporting these integrations rather than working on the buildout of the system.

The District's data is currently stored using ESRI's "Geometric Network" data model, which is a template that organizations can use to model their infrastructure and was released over 20 years ago. GIS data configured for the Geometric Network data model can have various analyses performed on it.

ESRI has released a successor to the Geometric Network data model, the Utility Network (UN) data model, and therefore is no longer supporting or enhancing the Geometric Network data model. The UN data model was created to enhance functionality, capabilities, and accessibility. The UN data model will allow for better tracing of our water and sewer networks and make it easier for field crews to quickly identify affected assets upstream or downstream of an event. Full implementation of the District's data using the UN data model will enable us to have a digital twin of our real-world infrastructure. This will provide more detail in GIS and Lucity, our asset management software. However, because of numerous differences in how the Utility Network data model is structured, organizations need to ensure that their GIS data is compatible before migrating.

In April of this year the Board approved a consulting agreement with Axim Geospatial to assist with Phase 1 of the migration. This phase involved a thorough data assessment to evaluate our readiness to migrate. This process created a list of necessary changes and the best way to implement those changes. After reviewing the report, staff has moved into Phase 2 of the project, data cleanup. The District's GIS Analyst has already resolved most of the problem items identified in the report. To assist with some of the more difficult fixes, staff is requesting to enter into an on-demand support agreement with Axim Geospatial. This agreement would allow District staff to contact Axim Geospatial with questions as we work through the remaining fixes in Phase 2. The District would only be charged for the time used, with a not-to-exceed amount of \$10,000.

Staff estimated a total professional services cost of \$35,000 in the approved 2022 Financial Plan and have so far utilized \$14,000 with the District's previous agreement with Axim Geospatial for Phase 1 of the project.



Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute an on-demand agreement with Axim Geospatial with a not-to-exceed amount of \$10,000.

**c) Staff Report – Resolution No. 834 – End of Emergency Declaration**

Mr. Brees provided a Staff report to the Board of Commissioners regarding Resolution No. 834 – End of Emergency Declaration.

Resolution No. 795, enacted on March 12, 2020, was an Emergency Declaration by the District in response to the onset of COVID-19. The resolution was enacted very early in the pandemic when the impacts and duration of COVID-19 were unknown. However, the resolution was correct in recognizing that flexibility would be required with the District's leave policies, customer payment and collections policies, and purchasing policies for materials and goods during shortages.

Several of the measures authorized by Resolution No. 795 were never needed in the end or are no longer in use. However, the District's Emergency Leave Policy is still being utilized as is the repayment of utility arrearages incurred by customers during the moratorium on service disconnections.

Governor Jay Inslee has announced that the Statewide State of Emergency that he declared on February 29, 2020, will end on October 31, 2022, and most other public agencies have set a timetable to end their emergency declarations. With the end to the Statewide State of Emergency, the District's Mandatory Vaccination Policy enacted by Resolution No. 823 will automatically expire and requires no further action.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Resolution No. 834 to repeal Resolution No. 795. This action will end the Emergency Declaration and confirm a procedure for employees to repay any negative sick leave balance and allow customers on installment plans to make repayments according to the payment plans established for their account. No new installment plans will be created, and no further/additional use of negative sick leave would be permitted.

**d) Discussion on Draft Remote Work Policy**

Mr. Brees reviewed a presentation with the Board of Commissioners regarding the development of a Draft Remote Work Policy.

As part of the District's Emergency Response to Covid, employees were permitted, and at times, encouraged to work up to 50% of their hours from home. This measure was primarily focused on Administrative staff but included tasks such as training for O&M employees.

District Employee's maintained a high level of productivity and customer service while working remotely. As the emergency is formally ending, it is a good time to formalize an ongoing policy and procedures for remote work.

Mr. Brees reviewed the important elements of a draft policy including:

- Establishing eligibility, remote work is not suitable for all positions and every employee.
- Developing Policies and Procedures for remote work.
- Setting Technology standards and expectations.
- Setting a limit on the amount of remote work that will be permitted on an ongoing basis.

Following discussion, the Board of Commissioners directed Mr. Brees to draft a policy for consideration at an upcoming Board meeting that would permit eligible employees to work up to one day remotely per week.

7.) **INTERAGENCY REPORTS:**

a.) **Staff Report – CWSA Meeting – October 2022**

Mr. Brees provided a Staff report to the Board of Commissioners regarding CWSA Meeting – October 2022.

Commissioner John Warner and General Manager Brees attended the Clearview Water Supply Agency (CWSA) Meeting held on October 19, 2022. The meeting was held virtually via Teams. The meeting agenda included Maintenance and Financial updates, including approval of the September Vouchers and August Disbursements.

AWWD M&O Superintendent, Joe Skeens, provided an update on the operations of the Clearview Pump Station during the months of August and September. There were no after-hours callouts during this period. In addition to several routine tasks completed at the site by AWWD staff, it was noted that a HVAC fan motor had failed and a new one has been ordered. Overall demand at the station is high for this time of year, station flow set points ranged between 9.5 and 15 MGD.

AWWD's Finance Manager, Loretta Smith Kelty, provided a brief Financial Report for the months of August and September. The Board was asked to ratify expenditures from the month of August in the amount of \$661,365.38. For the month of September, vouchers totaling \$568,203.24 were presented for approval. The balance of CWSA assets as of September 30, 2022, totaled \$1,285,407.82. The District's water utilization was 38% of the CWSA total for the month of September.

The next meeting of the CWSA is scheduled for Wednesday, December 21, 2022, at 3:00 p.m.

b.) **Staff Report – EWUC Meeting**

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

General Manager Curt Brees and District Engineer Scott Smith attended the EWUC meeting held on October 20, 2022. Agenda topics included updates from Department of

Health staff, an update on the water supply, a discussion on the Lead Copper Rule, Capital Project updates, and an update from city staff on projected rate increases.

Jolyn Leslie, Regional Engineer with the Department of Health (DOH), reported that a webinar on the upcoming cycle of State Revolving Fund (SRF) Loans has been scheduled for November 16<sup>th</sup>. Ms. Leslie provided several other updates from DOH including, that as part of their focus to go paperless they will be processing operating permits for 2023 online and that DOH has created a dedicated email for questions and comments regarding the Revised Lead and Copper Rule. Ms. Leslie shared that as a part of the free testing program that DOH offered to small water systems, PFOA/PHOS (per-and polyfluoroalkyl substances) have been showing up in unexpected locations such as wells that are not near a known source of contamination. This may indicate that the chemicals are being introduced to groundwater via septic systems and that this is likely to be an issue with sewer treatment plants and the discharge of effluent.

Jennifer Bailey, City of Everett, provided an update on the water supply situation. While the outlook for coming months is also good with adequate supply forecasted through the end of the year, the reservoir levels have dropped considerably. Demand for the regional water production picked up significantly in August, September, and the beginning of October. Demand had been lower than normal in the spring and early summer, but in September the water use was up 14% compared the historical average. The Water Supply Fact Sheet and Water Storage Graph are attached to the report for review.

A discussion was held at the meeting regarding the Revised Federal Lead Copper Rule and how the Rule might be applied to a regional program. It was noted that to prepare for the next round of sampling as a regional program, participating water systems would need to complete their inventories earlier than the October of 2024 deadline set by the USEPA. DOH had little additional information to share at this time other than, it is not anticipated that the State will adopt any Washington specific rules prior to the October of 2024 deadline for the service line inventory.

City staff provided various Capital Project updates including a report on the Reservoir #2 project, Reservoir #3 project, and Generator replacement at the Water Filtration Plant. City staff shared an aerial video of the Reservoir #2 project site, where a new concrete lid was being poured onto the new Reservoirs. At the Water Filtration Plant, the generator project is proceeding, temporary generators are in place while the new generators and electrical improvements are constructed.

City Staff reported that the Department will be presenting rate increases to the City Council for implementation early in 2023. This is two years 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.

There was no Wholesale Sewer Customer meeting this month. City staff indicated that a billing summary would be provided next week.

**8.) STAFF REPORTS:**

**a.) District Engineer:**

No further report.

**b.) Finance Manager:**

Mr. Nelson summarized some recent correspondence staff has had with customers regarding leaks that resulted in substantial bills and requests for extended payment arrangements.

Mr. Nelson reported that the State Auditor is scheduled to begin the Accountability Audit of the District in early December. He is coordinating with Clifton Larson Allen to conclude the Financial Statement Audit in advance of the Accountability Audit.

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

Mr. Berger reported that the O&M crew has been busy preparing for the new carpet installation and furnishings. Work included moving existing furniture, upgrading lighting, and painting.

**d.) Technical Services Manager:**

Mr. Busch informed the Board that he would be updating the Windows 365 licenses that they use, as they have used the functionality of remote meetings and office applications more than initially anticipated, and the full license is warranted.

**e.) Attorney:**

No further report.

**f.) General Manager:**

Mr. Brees provided an update to the Board of Commissioners regarding a grant allocation from the State to assist residential customers with utility arrearages incurred from March of 2020 through the end of 2021. Of the 100 million budgeted statewide, just over \$50,000 has been allocated to Silver Lake to assist qualifying customers. Mr. Brees asked the Board to Commissioners to approve the agreement accepting the funds and to delegate signature authority to the General Manager. In addition, Mr. Brees asked the Board to prioritize the allocation of the funds for all eligible customers. As it has taken the State considerable time to distribute these funds, it is anticipated that the District will only be able to use approximately \$30,000 of the \$50,000 allocated, based on the program's guidelines.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to sign the Grant agreement with the State, for residential customer arrearages and to prioritize its use for all eligible residential customers.

**This ends the Minutes of the October 27, 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**

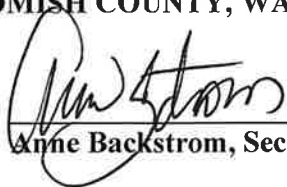
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 October 27, 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 November 10, 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 10<sup>th</sup> day of November 2022.

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

  
\_\_\_\_\_  
Anne Backstrom, Secretary