

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

February 9, 2023

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on February 9, 2023, beginning at 5:30 p.m. Attending in person was Commissioner Anne Backstrom. Also present in person were District Engineer Scott Smith, O&M Manager Ron Berger, and Finance Manager Brad Nelson. Commissioner Willner, 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 teams meeting. 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 Backstrom called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of January 26, 2023, were unanimously approved by the Board as circulated.

3.) PUBLIC COMMENT:

No member 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. 19276 - 19321) in the amount of \$507,614.44; Revolving Fund Checks (Check No. 8938 - 8959) in the amount of \$176,625.31, were unanimously approved by the Board and signed as follows:

Fund	Amount
Water Maintenance	\$174,568.00
Water Capital Improvement	39,066.12
Sewer Maintenance	87,518.33
Sewer Capital Improvement	206,461.99
Revolving Check Fund	176,625.31
Total	\$684,239.75

b.) Staff Report – Proposal for 2022 Financial Statement and Audit (Clifton Larson Allen)

Mr. Nelson provided a Staff report to the Board of Commissioners regarding a proposal for 2022 Financial Statement and Audit by Clifton Larson Allen.

The Silver Lake Water and Sewer District engages the services of Clifton Larson Allen, Mr. David Hoagland, to review and prepare the District's Annual Financial Report. Starting in 2021, the District also engaged Clifton Larsen Allen to perform the Financial Statement audit with the State Auditor performing the Accountability (Compliance) audit.

The 2023 proposal for the Financial Period Ended December 31, 2022, and was provided to the Board of Commissioners, for the review and statement presentation. The total cost is \$29,105, which is an increase of \$2,650 or 10%. This increase is in line with inflation changes for 2022. In addition, the proposed cost for the Financial Statement audit is \$13,250, which an increase of \$3,000 or 29.3%. The Financial Statement audit increase is attributable to an increase in the number of hours to perform the audit plus inflation.

Staff also provided a schedule for the financial statement preparation process for 2023.

The State Auditor's Office has also concluded their 2021 Accountability Audit and is ready to schedule an exit conference. Staff recommended one member of the Board be selected to attend, and staff will provide the Auditor's complete report at the February 23, 2023, meeting. There are no findings or management items for 2021 with only three exit item recommendations.

Following discussion, by motion made, seconded, and carried unanimously, the Board of commissioners authorized the General Manager to execute a Professional Services Agreement with Clifton Larson Allen for accounting services.

5.) DEVELOPER PROJECT REPORTS:

a.) Staff Report – Developer Standards Corrections

Mr. Smith provided a Staff report to the Board of Commissioners regarding Developer Standards Corrections.

On November 22, 2022, the Board approved Resolution No. 835 to update Articles II, III, and V for Water, Sewer, and Cross Connection Control, respectively, along with the associated details in Article VI. The District Standards and Details are available online in Chapter 6.20 of the District Code.

<https://silverlakewsd.district.codes/SLWSDC/6.20>

As part of the Resolution, the General Manager was authorized to administratively approve future minor changes that do not affect the intent or substantial content of the Standards.

Several minor changes have been made to some of the details, as well as one update in the Sewer Section. These include:

- Corrected a graphic line and manhole depth error in detail S1
- Corrected a note regarding sewer cleanout access next to a structure in detail S16
- Corrected a reference to another detail in detail G6
- Updated meter box numbers in details W12, W13 and W14

- Clarified the force main cover depth from >4' to 4' – 10' in the table in Code Section 6.20.380(1)

During the meeting on February 9, 2023, District staff presented these corrections to the Board.

6.) CAPITAL IMPROVEMENT PROJECT REPORTS:

a.) Staff Report – Thomas Lake Lift Station Replacement – Pay Estimate No. 9

Mr. Smith provided a Staff report to the Board of Commissioners regarding Thomas Lake Lift Station Replacement Project – Pay Estimate No. 9.

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. Change Order No. 1 in the amount of \$18,776.11 was approved by the Board on August 11, 2022, and Change Order No. 2 in the amount of \$16,119.60 was approved by the Board on December 8, 2022. Pay estimates will be approved by the Board monthly as needed.

In the month of January, work continued on several smaller items on the site. The piping in the wet well was completed and the fit of the pumps was tested on their bases, underground electrical conduit was started, the new water service, hose bib, and backflow assembly were installed, and some small concrete pads were poured for various items, including the new odor control unit.

The upcoming critical path item will be the power connection by PUD. The electrical infrastructure on site should be ready in the next week or two, then it will be dependent on the PUD schedule.

Work included in Pay Estimate No. 9 for the month of January consists of percentages of the Lift Station Replacement and Electrical lump sum bid items, along with one item from Change Order No. 1.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 9 in the amount of \$157,919.00.

7.) MAINTENANCE & OPERATION REPORTS:

a.) Staff Report – Reservoir No. 2 Cathodic Protection Update

Mr. Berger provided an update to the Board of Commissioners regarding Reservoir No. 2 Cathodic Protection.

In July of 2022, the District hired NW Corrosion to perform an evaluation of the Cathodic Protection (CP) for the Booster Pump Station that is located at the Reservoir No. 2 site. This pump station is a very important part of the District's infrastructure as it maintains pressure for the 725 Zone in the eastern portion of the District.

Following evaluation of the existing original system that was installed in 1993, it was determined that the current Cathodic Protection system was not functioning and was undersized for the corrosion protection required.

NW Corrosion designed a new CP system, and District crews installed all of the components. In October of 2022, District Electrician, Sean Peterson, led a team to install the entire system. The work included using the Vactor truck to excavate six holes that were each 12' deep to install the sacrificial anodes around the metal structure of the pump station. The asphalt required saw cutting to install the cables for connecting the system together. A rectifier and conduits were installed to run power to the system.

In January 2023, the project was completed, and NW Corrosion worked with Sean to calibrate and place the new system online. This project will provide corrosion protection for this pump station for many years ahead.

b.) Staff Report – Authorization for Vehicle & Resolution No. 838

Mr. Berger presented a Staff report and draft Resolution No. 838 to the Board of Commissioners regarding authorization for a new vehicle. Mr. Berger outlined that the District had been informed from the Washington State Enterprise Service Department that they could not fulfill their bid contracts for Ford Trucks. The District had four trucks on order that were canceled or delayed, and a new State contract was issued. District staff reviewed three dealers to select the low-cost vehicle that meets the District's needs.

Mr. Nelson added that Resolution No. 838 defines a special market condition existed which is the canceling of the vehicle orders by the State of Washington and the supply chains issues that are constricting the construction of new vehicles. In addition, that District staff exercised due diligence to contact three dealers to review their current trucks available for purchase.

Staff recommended the Board authorize the purchase of the truck most closely matching the State contract, the District's needs, which happens to also be the lowest cost and lower than the State bid price. Mr. Chambers added that purchasing vehicles can also be very dynamic with the available inventory fluctuating.

Following discussion, the Board of Commissioners approved and adopted Resolution No. 838 to purchase a new 2023 F-350 Truck, in an amount not-to-exceed \$57,000, from Bellingham Ford Lincoln.

8.) STAFF REPORTS

a.) District Engineer

No further report.

b.) Finance Manager

Mr. Nelson thanked the Board for allowing him to be a trustee on the HRA VEBA Board of Trustees. The meeting was this week, and the Trustee Board approved an investment

option for participants for the Fidelity Social Responsible Fund. In addition, Mr. Nelson outlined the importance of Medicare/HRA VEBA coordination when a participant or covered spouse enrolls in Medicare while the participant is still actively employed by the District. Mr. Nelson also outlined the Trust's progress in locating participants with bad addresses and inactive accounts.

Mr. Nelson updated the Board of Commissioners with an emerging issue with delayed bill preparation with AFTS, and that communication with AFTS staff are continuing to return the bill printing timelines to one day after approval by the District.

Mr. Nelson also updated the Board on the Invoice Cloud fee request and challenges the District has been having with uploading .pdf bill copies to customer Invoice Cloud accounts, and account balance challenges. Commissioner Backstrom said she experienced the issue with her January bill, and it was very frustrating to have to wait for the bill to be uploaded after getting the invoice email.

c.) O & M Manager

No. further report.

d.) Technical Services Manager

No further report.

e.) Attorney

No further report.

This ends the Minutes of the February 9, 2023, 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 February 9, 2023, 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 February 23, 2023, 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 23rd day of February 2023.

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


John Warner, Secretary