

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

April 11, 2023

The special meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on April 11, 2023, 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, Finance Manager Brad Nelson, and Eric Delfel with Gray & Osborne. O&M Manager Ron Berger, Technical Services Manager James Busch, and Christopher Pirnke 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 Willner called the meeting to order at 5:30 p.m.

**2.) APPROVAL OF MINUTES:**

The Minutes of the regular meeting of March 23, 2023, were unanimously approved as circulated.

**3.) PUBLIC COMMENT:**

One member of the public was in attendance via teleconference, requesting to listen only, no public comment 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, Vouchers (Check No. 19519 – 19594) in the amount of \$409,189.48; Revolving Fund Checks (Check No. 9026 – 9041) in the amount of \$226,600.34, were unanimously approved and signed as follows:

<b>Fund</b>	<b>Amount</b>
Water Maintenance	\$216,349.48
Water Capital Improvement	16,091.55
Sewer Maintenance	81,378.19
Sewer Capital Improvement	95,370.26
Revolving Check Fund	226,600.34
<b>Total</b>	<b>\$635,789.82</b>

**b.) Staff Report – Set Date for Public Hearing (Rates) on April 27, 2023**

Mr. Nelson provided a Staff report to the Board of Commissioners regarding setting a date for a Public Hearing (Rates) on April 27, 2023.

On March 31, 2023, the City of Everett delivered their 2023 Sewer Rate Increase letter. This is the last of the contracted service rates being increased for 2023 provided to the District. The City's current Sewer Rate calculation of \$46.32 is less than their original presentation Sewer Rate of \$46.63. The District staff's review of the City's calculation and subsequent restatement of the rate has resulted in a savings to the District of an estimated \$51,275. In addition, the District is still reviewing several City transactions which could provide an even lower rate. City staff has been resisting the District's requests for data and has been passing staff back and forth through different departments within the City. Alderwood Water & Wastewater Sewer Rate increased as forecasted to \$56.03, an increase of \$3.15.

Alderwood Water & Wastewater District has confirmed a City of Everett Water Rate decrease of .18 per unit, based on their decision to delay a debt issuance to replenish cash for cash funded capital project until 2024. If this report is accurate, we expect this decrease to be reversed in 2024. Based on the net decrease in City of Everett Wholesale Water Rates, the Alderwood Wholesale Rate will remain the same for 2023 at \$1.60 per unit. The City of Everett's direct ties water costs increased to \$3.0446 per unit. While the blended per unit water costs are expected to decrease \$.1841 per unit, staff is recommending to not decrease the per unit cost since we expect the City to adjust the rate when they issue water bonds in 2024 and keeping rates the same will smooth out future increases.

Based on this information, the 2023 Pass-through Water Rate Increase is outlined in the Table provided to the Board of Commissioners. This would include a recommendation to set a Public Hearing on April 27, 2023, to adopt the 2023 Water and Sewer Rate Increase, effective May 1, 2023.

In 2021, the General Manager recommended an inflationary adjustment to the rate, as the District's costs are being impacted by inflation and to defer larger rate increases in the future. The Board discussed applying this to the 2023 Rate Increase and directed staff to return in April to discuss both a Pass-through Rate Increase and a Pass-through with options for an Inflationary adjustment. Staff outlined the draft 2022 Water and Sewer Inflationary Adjustment, using the December-to-December Inflationary Index of 9.048%. A Table provided to the Board provided the draft 2023 Water and Sewer Rate increases.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved setting a Public Hearing date for April 27, 2023, to review the 2023 Water and Sewer Rate Resolution.

**c.) Staff Report – Cash Transfer to Water and Sewer Capital Reserves**

Mr. Nelson provided a Staff report to the Board of Commissioners regarding the Cash Transfer to Water and Sewer Capital Reserves.

At the March 9, 2023, Board of Commissioner's meeting, staff outlined that to keep up with spending on capital projects a transfer would be required from the Water and Sewer Maintenance Funds to the Water and Sewer Capital Project Funds. The Water and Sewer Capital Project Funds provide the funding for the District's Water and Sewer Capital

Projects. funds. The initial transfer recommended was \$1,500,000 - Cash Transfer to Water Capital Projects Fund and \$2,500,000 to the Sewer Capital Projects Fund.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized a \$1,500,000 Cash Transfer to Water Capital Projects Fund and \$2,500,000 to the Sewer Capital Projects Fund.

**5.) CAPITAL IMPROVEMENT PROJECTS:**

**a.) Staff Report – Construction Contract Award Lift Station No. 3 Force Main/CM Contract with G&O**

Mr. Delfel provided a Staff report and resolution to the Board of Commissioners regarding the Construction Contract Award Lift Station No. 3 Force Main/CM Contract with G&O.

Lift Station No. 3 has three pumps with a capacity of 3,000 gpm, and two discharge force mains that are both approximately 3,700 feet long. It can pump through the original 10-inch cast iron force main to the District's Lift Station No. 2, or to a newer 12-inch ductile iron force main that discharges into the Pioneer Trails Lift Station. The 10-inch cast iron force main is over 50 years old and has reached the end of its useful life. The District had identified the replacement of the 10-inch force main in the Wastewater Comprehensive Plan as Project No. LS-10.

Snohomish County has planned an overlay of the 132nd Street, 134th Place SE, and Cathcart Way corridor in 2024, which would put a five-year moratorium on any work in the right-of-way. Consequently, the District would like to replace the force main in 2023 ahead of the County's overlay project. This would enable the District to complete the force main replacement work with relatively minimal pavement restoration and avoid the requirement of a full roadway overlay and expensive ADA ramp upgrades.

On February 24, 2022, the Board awarded a Pre-design Contract to Gray & Osborne, in the amount of \$84,700, to perform the initial survey work; downstream basin analysis; determine sizing, capacity, and alignment of the new force main; and analyze some ongoing pump operational issues. After a presentation of the pre-design technical memo, a contract addendum for the full design scope and fee were approved on September 8, 2022, in the amount of \$97,600.

The primary scope of the project is to replace the existing 10-inch force main with a new 12-inch HDPE pipe in the same location. HDPE pipe is welded together at the joints and requires a special certified contractor to do the work. The existing crosstie valves in 132nd Street SE would be reconfigured, and a new flow meter vault would be installed onsite. Some minor interior lift station and wet well rehabilitation work is also included, but larger scale electrical upgrades were deferred to a future project.

The construction project was advertised for bids for three weeks in February and March, three addenda were issued, and bids were opened on March 14, 2023. Nine bids were received, two hard copy and seven electronic, and a virtual bid opening was held via Teams. The lowest submitted bid in the amount of \$2,071,612.56 was from In Depth

Excavation, LLC (IDE), a smaller new company out of Monroe. The second lowest bid in the amount of \$2,131,357.15 was from Shoreline Construction Company out of Woodinville. The design engineer's estimate was \$2,362,821.50, and bid results were provided to the Board of Commissioners.

Upon further review of the submitted experience and references, it was determined that IDE is not a qualified responsible contractor for this type and scale of public works project. Their experience is mainly on smaller private land development and side sewer projects, and initially listed no specific HDPE project work. Only one in progress HDPE project was listed as part of a subsequent request, but no quantity was provided.

As part of the required bidder qualifications in the contract package, the contractor must attest that they have successfully completed at least three projects of similar size and scope within a five-year period. IDE checked that box as "Yes" but does not actually meet the criteria.

The experience and references of the second lowest bidder, Shoreline Construction Company, consists of several recent similar size public agency projects that include multiple HDPE installations. Shoreline was also the contractor on a District participation project with the Brasswood developer in October 2021, which included HDPE pipe bursting in 132nd Place SE, flowing into the Sector 7 Lift Station.

Staff has determined that In-Depth Excavation is not a responsible bidder and recommends awarding the Lift Station No. 3 Force Main Replacement Project to Shoreline Construction Company as the lowest responsive and responsible bidder.

Staff proposed that G&O continue involvement in the project by providing construction management and full-time inspection services. A Scope and Fee for construction management from G&O in the amount of \$203,400 was provided. A separate but standard District consultant contract will be used for the construction management work, instead of utilizing the G&O on-call engineering contract.

Finally, in accordance with the Project Approval process that was presented to the Board on November 10, 2021, the award of the construction contract is also the timeframe to approve a formal project budget.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Resolution No. 839, to award the construction contract to Shoreline Construction Company in the amount of \$2,131,357.15 for the Lift Station No. 3 Force Main Replacement Project.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the proposed Scope and Fee in the amount of \$203,400 from G&O for construction management of the Lift Station No. 3 Force Main Replacement Project.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the proposed project budget for the Lift Station No. 3 Force Main Replacement Project.

**b.) Staff Report – Thomas Lake Lift Station Replacement – Pay Estimate No. 11**

Mr. Delfel provided a Staff report to the Board of commissioners regarding the Thomas Lake Lift Station Replacement – Pay Estimate No. 11.

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 March, work continued on the wet well and new electrical control building. All exterior groundwater leaks were finally stopped in the wet well, the bottom fillet was formed and cast, and the interior was prepped for coating. The concrete cable trench from the exterior control panel to the wet well was poured on March 23, 2023.

Electrical work continued in the main control building, and the PUD connection work was scheduled for April 6, 2023. However, further progress on the new lift station may be slowed waiting on critical generator components, and a project suspension may be warranted.

Work included in Pay Estimate No. 11 for the month of March primarily consisted of percentages of the Lift Station Replacement and Electrical lump sum bid items, as well as some minor change items.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 11 in the amount of \$72,613.27.

**c.) Staff Report – Lift Station Standard Update – New Task Order with Pace Engineering**

Mr. Brees provided a Staff report to the Board of Commissioners regarding the Lift Station Standard Update – New Task Order with Pace Engineering.

On January 26, 2023, the Board approved a new On-Call Consultant Contract with PACE Engineers, Inc., with a total not-to-exceed (NTE) contract amount of \$100,000 to address at least two specific project tasks. The first task was for submittal review as the engineer of record on the Bakerview Lift Station since the developer had cut ties with PACE. By contracting through the District, PACE can complete the required reviews, and costs will still be passed through to the developer as part of the typical DE process.

The second task is updating the District's Lift Station Standards. Staff has revised the format and created an outline of major categories (i.e., site/design requirements, generators, vaults, pumps, etc.) with some specific items to be addressed. However, some

outside expertise is needed to expand on the technical language in the standards. As the designer of the three most recent DE lift stations, PACE is the best qualified consultant for this work.

A Scope of Work and Fee has been prepared by PACE for a major update to the District's Lift Station Standards, including both mechanical and electrical categories, and potential new details. The estimated cost of the work, including management contingency reserve, is \$48,999.60. The update to the Standards should be completed by the end of the year.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute On-Call Task No. 2 with PACE Engineers, Inc., for Lift Station Standards Update.

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

a) **Staff Report – Site Security Improvements for Reservoir No. 3**

Mr. Berger provided a Staff report to the Board of Commissioners regarding the Site Security Improvements for Reservoir No. 3.

District staff have been dealing with a hostile local resident for the past several years at the Reservoir No. 3 site, located at 2305 100th Street SE, Everett. This resident has most recently stopped a District employee while he was doing routine meter reading (driving by the reservoir). While driving by the reservoir and returning out to 100th street on his meter reading route, this resident stepped out in front of the vehicle forcing our employee to stop the truck. The resident was very aggressive and agitated and demanded to know why our employee was in his neighborhood in his marked District vehicle.

Approximately six months ago, Mr. Berger had an encounter with the same customer. he had stopped by the reservoir to check on a chlorine injector and when he got out of his truck to open the gate, the same resident approached me and demanded to know why he was in the neighborhood. He invaded personal space and had a very aggressive demeanor. Staff from the Water Quality Department and other supervisors have been yelled at by this same resident when working at the site.

While these encounters have been increasing, staff have been instructed to exercise caution whenever entering this site. After-hours calls will be responded to with two persons for safety, until additional security measures are in place.

Staff have started exploring minor site improvements to improve worker safety. These additional security measures may include:

- Moving the gate into the site driveway and adding a card reader and power gate. Staff could then enter the site without getting out of their vehicle and the gate would close automatically behind them. If the resident were to approach the vehicle at the new gate location, he would be trespassing on District property.

- Adding security cameras to the entrance to record future encounters and improve overall security.

Staff will bring back proposals for planned site improvements for future consideration by the Board.

**7.) STAFF REPORTS:**

**a.) District Engineer:**

No further report.

**b.) Finance Manager:**

Mr. Nelson shared some compliments to other District employees with the Board of Commissioners Field team members have been taking extra steps afterhours to respond to customers and carryout tasks through to completion.

Mr. Nelson has provided an update regarding staff interactions with a developer of a project in the District. The developer expected an immediate inspection that had not been previously scheduled.

Mr. Nelson provided an update on some of the ongoing struggles with Invoice Cloud regarding the implementation of their service charge increase. They once again started collecting the higher fee earlier than the scheduled date for implementation. Impacted customers will see credits to their accounts.

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

No further report.

**d.) IT Manager:**

Mr. Busch reported that the District's new website is scheduled to go live this week and he provided a brief demonstration of the site.

**e.) Attorney:**

No further report.

**f.) General Manager:**

Mr. Brees reviewed upcoming schedule of events for various staff and the Commissioners.

**This ends the Minutes of the April 11, 2023, 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 April 11, 2023, 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 April 27, 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 27<sup>th</sup> day of April 2023.

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

  
John Warner, Secretary