

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

May 11, 2023

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on May 11, 2023, beginning at 5:30 p.m. Attending in person were Commissioners John Warner and Shauna Willner. Also present in person were General Manager Curt Brees and O&M Manager Ron Berger. Commissioner Anne Backstrom, Finance Manager Brad Nelson, District Engineer Scott Smith, 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 Willner called the meeting to order at 5:30 p.m.

**2.) APPROVAL OF MINUTES:**

The Minutes of the regular meeting of April 27, 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. 19664 - 19718) in the amount of \$898,209.68; Revolving Fund Checks (Check No. 9062 - 9076) in the amount of \$167,569.90, were unanimously approved by the Board and signed as follows:

<b>Fund</b>	<b>Amount</b>
Water Maintenance	\$34,073.62
Water Capital Improvement	49,768.03
Sewer Maintenance	23,891.45
Sewer Capital Improvement	790,476.58
Revolving Check Fund	167,569.90
<b>Total</b>	<b>\$1,065,779.58</b>

**5.) CAPITAL IMPROVEMENT PROJECTS:**

**a.) Staff Report – Thomas Lake Lift Station Replacement & Pay Estimate No. 12**

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Thomas Lake Lift Station Replacement project and Pay Estimate No. 12.

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 April, progress was a little slow in the beginning, due to the timing uncertainty of various electrical components associated with the generator. The PUD connection was made on April 6, 2023, the interior of the rock catch manhole and wet well were coated, final grading work started on site, the new pumps were installed on April 20, 2023, and the generator was finally delivered on April 26, 2023. A potential project suspension was avoided, with the delivery of the generator and transfer switches.

Work included in Pay Estimate No. 12 for the month of April primarily consists of percentages of the Lift Station Replacement and electrical lump sum bid items, some additional minor change items, and a small item from Change Order No. 1.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 12 in the amount of \$142,794.54.

**b.) Staff Report – Materials Testing Contract**

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Materials Testing Contract.

Standard practice on any Developer Extension or Capital Improvement Project is to use a third-party service for materials testing for quality control assurance. This work would typically include compaction testing on soils and asphalt paving, concrete sampling, and structural inspection on building components (i.e., rebar placement, CMU block grout, etc.). Typically, materials testing on a DE project is the responsibility of the developer, but the District may occasionally need an independent party for verification.

Past practice on District Capital Projects is to have the contractor hire and manage the outside materials testing firm. However, this can create a conflict of interest, and may not always result in adequate quality control checks. District staff proposed to remove the materials testing work from our typical construction contract and hire out those services directly in order to maintain control of the scheduling and integrity of the results. There are no overall cost savings since the cost of the testing services would typically be included in the construction contract prices.

The following Capital Projects are planned for construction in 2023 – 2024 and would need Materials Testing services:

- Lift Station No. 3 Force Main Replacement – June 2023
- Lift Station No. 4 Generator – July 2023
- Pioneer Trails Lift Station Replacement – Starting 2023 into 2024
- 10th Drive SE Water and Sewer Improvements – 2024
- Lowell Larimer 1 and Highland East Lift Stations – Starting 2024?

A short Request for Proposals (RFP) process was done in March 2023 to select a new District vendor for materials testing work. Submittals were received from three local firms – AAR Testing, Mayes Testing, and Krazan. All three firms are qualified and capable of doing the work with comparable prices, but AAR submitted more relevant utility work experience, and had a preferred format for reporting results. AAR is also currently performing all the material testing work on the Bakerview Lift Station DE project.

Staff recommended approval of a one-year Unit Price Contract with AAR Testing and Inspection, Inc. for materials testing work on upcoming capital improvement projects. AAR could also be used on DE projects if adequate quality control work is not being performed, such as on the Highland Park Townhomes, and those costs would be passed back to the developer. The initial contract would be in an amount not-to-exceed \$50,000 and could be extended for another year if warranted.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute the proposed Unit Price Contract with AAR Testing and Inspection, Inc. for 2023 Capital Improvement Projects.

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

**a.) Staff Report –Waldenwood Side Sewer Repair**

Mr. Berger provided a Staff report to the Board of Commissioners regarding the Waldenwood Side Sewer Repair.

On March 17, 2023, District staff were contacted by a representative of the Snohomish County Surface Water Department, about fecal matter discovered in a catch basin of a residential area. District staff researched the Waldenwood Development as-builts and then video inspected the side sewer laterals in the immediate area of where the County detected the problem. During the video inspection, it was discovered that the side sewer stub located at 11302-45th Avenue was capped off and had never been used. Apparently, the private side sewer had been connected to a stormwater lateral together with footing and roof drains for the property. When the developer made this connection in error, it was not caught by the District's inspector. District records indicate the side sewer connection & inspection occurred on September 14, 2001.

Given the time that has passed, staff determined that homeowner would have little recourse against the developer. Staff proposed that District crews could repair the private side, connecting it to the unused side sewer. The homeowner was asked to sign a release, as a

condition of the District repairing the side sewer at no cost. The homeowner agreed and signed a Release and Waiver of Liability prior to the District making the side sewer repair.

On April 5, 2023, after locates were in place, District crews assembled and excavated at the site to make the proper connections to our system. The existing side sewer line was connected to the Snohomish County storm line that was 4' deep. Crews cut out the line, capped the County storm line, and excavated to 9' connecting to the District's sewer line stub. All connections were tested, pipe bedded with pea gravel, and the site was secured for the night. Backfill and property restoration occurred the following day.

Mr. Berger shared photos of the project work with the Board of Commissioners.

**7.) INTERAGENCY REPORTS:**

**a.) Staff Report – Hazard Mitigation Plan**

Mr. Brees provided a Staff report to the Board of Commissioners regarding the Hazard Mitigation Plan

The Federal Emergency Management Agency (FEMA) administers a National Hazard Mitigation Assistance Program to help communities plan for disasters. The program provides incentives for agencies that plan for disasters by providing grants for projects that mitigate potential risks and by increasing the federal cost share to complaint agencies when there is a disaster that qualifies for federal aid. Locally, this planning effort is coordinated at the County level with Snohomish County leading the plan development and including "Annexes" for other agencies within the County. When the District participates in the County update and approves an annex, the District is eligible for the mitigation grant program and importantly eligible for an increased reimbursement in the event of a qualifying disaster that impacts District operations or infrastructure.

In 2015, the District fully participated with the County planning effort and adopted an Annex. Pre-Pandemic, the District was participating in the planning efforts for 2020 update to the plan. An updated annex was prepared by staff and included in the overall County plan. However, due to the Covid emergency, we lost track of the County planning process and their outreach to partnering agencies suffered a similar fate.

Recently, Snohomish County Emergency Management staff contacted the District and reported that the Plan has been approved by both the County and FEMA and if the District approves the annex we will once again be compliant with the program, until the next update is due (in approximately two years).

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved and executed Resolution No. 841, adopting the updated and revised Snohomish County Hazard Mitigation Plan and Amending Chapter 11.10 of the District Code.

**b.) Staff Report – Retro Program**

Mr. Brees provided a Staff report to the Board of Commissioners regarding the New WASWD L&I Retrospective Rating Program Agreement.

In the State of Washington, all employers must pay the Department of Labor and Industries (L&I) premiums for Industrial Insurance to provide for employees' medical care and wages in the event of a workplace injury. Most other states allow employers to shop the private market to provide this coverage. Rates are dependent on the classifications of workers (by risk) and risk factor for claims assigned specific to the employer. Despite these factors in general, workplaces with a good Safety Program and record like the District, generally subsidize other employers that are not as safe.

L&I offers a program where an employer can obtain a rebate on premiums if the actual claims are lower than premiums paid. A very large employer can participate individually, while other employers like the District participate in a pool with other similar employers. Washington Association of Sewer and Water Districts (WASWD) administers a program using a third-party administrator (Archbright). In September of last year, the District joined the WASWD Retrospective Rating program. General Manager Brees has been serving on the WASWD committee for the program (Retro Committee) since the start of this year.

In 2022 the Retro Committee determined it would be beneficial for the program to grow by accepting new members from other types of organizations, such as Port or Irrigation Districts. In addition, the committee, acting on advice of the administrator, enacted some changes to improve the programs performance. The WASWD Board approved a revised agreement and rules for the program at a special meeting held on April 14, 2023. To continue participation in the program, the District is required to sign the new agreement by June 23, 2023. These changes are expected to result in a larger and stronger pool that increases the District's chances to earn a rebate of rates.

Staff recommended that the Board of Commissioners authorize the General Manager to execute the new Agreement with the Washington Association of Sewer and Water Districts (WASWD) for continued participation in the Retrospective Rating Program.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute the new Agreement with the Washington Association of Sewer and Water Districts (WASWD) for continued participation in the Retrospective Rating Program.

**8.) STAFF REPORTS**

**a.) District Engineer**

Mr. Smith reported that the contractor began work on the District's Lift Station #3 Force Main Replacement Project this week.

**b.) Finance Manager**

Mr. Nelson asked the Board of Commissioners to approve the issuance of a treasurers check for a small project to repair a driveway impacted by warranty work on a Developer

Extension being completed by District staff. The Developer has been unresponsive, and the District collected the Cash Maintenance Bond held by a bank.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the issuance of a treasurers check in an amount not-to-exceed \$2,500, to be paid to the contractor upon completion of the work.

Mr. Nelson provided the Board of Commissioners with an update on the District's review of the City of Everett's Sewer Rate for 2023-2024. Mr. Nelson reported that the District has submitted to the City a letter disputing the rate, pending further review. The City has been slow to provide supporting documentation and there are factors in the rate calculation that appear incorrect. The District will continue to pay the 2022-2023 Rate until the matter is resolved. Mr. Nelson provided additional detail regarding potential areas of the Cities calculation of the rate that have the effect of overcharging the District, including a disproportionate allocation of employee healthcare costs and potential double billing for capital projects.

**c.) O & M Manager**

Mr. Berger reported that one of the District's O&M team members is scheduled to return to work next week following an extended leave for medical reasons. The employee has been fully released to the duties and licensing requirements of Utility Maintenance Worker I. Previously, the employee was classified as a Utility Maintenance Worker II.

Mr. Berger also reported the application period has closed for an open position on the O&M team. Interviews are scheduled for next week.

**d.) Attorney**

No further report.

**e.) General Manager**

Mr. Brees asked the Board of Commissioners if they would like to close the District office at noon on the Friday before Memorial Day and Labor Day for 2023. The Board of Commissioners has observed these holidays in recent years by dismissing staff early.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners directed the General Manager to close the office at noon and dismiss staff on May 26<sup>th</sup> and September 1<sup>st</sup>.

Mr. Brees discussed with the Board of Commissioners about setting a Special Meeting date of June 6, 2023, at 3:00 p.m., for the Board's tour of District Capital Projects.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners set a Special Meeting for June 6, 2023, at 3:00 p.m.

**This ends the Minutes of the May 11, 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 May 11, 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 May 25, 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 25<sup>th</sup> day of May 2023.

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

  
John Warner, Secretary