

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

July 13, 2023

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on July 13, 2023, beginning at 5:30 p.m. Attending in person were Commissioners Anne Backstrom, John Warner, and Shauna Willner. Also present in person were General Manager Curt Brees, District Engineer Scott Smith, O&M Manager Ron Berger, Finance Manager Brad Nelson, Technical Services Manager James Busch, and IT Technician Brian Malen. 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 June 22, 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. 19898 - 19996) in the amount of \$1,860,568.64; Revolving Fund Checks (Check No. 9128 - 9157) in the amount of \$253,316.36, were unanimously approved by the Board and signed as follows:

Fund	Amount
Water Maintenance	\$269,366.76
Water Capital Improvement	50,764.65
Sewer Maintenance	785,759.81
Sewer Capital Improvement	754,677.42
Revolving Check Fund	253,316.36
Total	\$2,113,885.00

5.) DEVELOPMENT PROJECT:

a.) Staff Report – Brasswood Lift Station Reimbursement Agreement, Set Public Hearing Date

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Brasswood Lift Station Reimbursement Agreement and set Public Hearing date.

The sewer system for the 60-lot Brasswood development project, in the 8000 block of East Lowell Larimer Road, was completed in October 2022. The development also included a new sewer lift station, which was completed and accepted by the District for operations on May 8, 2023. The Brasswood Lift Station is intended to serve as a regional facility and was identified as the Lowell Larimer No. 4 facility in Appendix I of the Wastewater Comprehensive Plan.

The Brasswood developer would like to proceed with a Reimbursement Agreement to recover their proportional lift station costs from future connections, which could extend west to the 7200 block of East Lowell Larimer Road. Reimbursement Agreements are addressed in District Code Section 6.15.030.

There are a few ways to determine the proportionate cost sharing for Reimbursement agreements, and the most common are either by frontage length, parcel area, or ERU's. For linear pipe projects in a street, the frontage length or parcel area method is often the most appropriate. For regional projects over a large area, such as a sewer lift station, the ERU method is commonly used to provide fairness and flexibility for future developments.

It is estimated that a total of 635 ERU's could be served by the Brasswood facility. The cost of the lift station from the developer's Bill of Sale was \$1,084,853.29. Therefore, the proportional latecomer cost per ERU would be \$1,708.43. The Board reviewed and conceptually approved the proposed ERU assessment method on May 25, 2023. Notice letters were mailed to all affected property owners on June 6, 2023, and a 30-day comment period is required per District Code Section 6.15.030(5).

Mr. Smith reviewed a few minor adjustments and refinements that have been made to the map exhibit and pro-rata assessment role. The next step in the process would be to hold a public hearing to receive public comment, then review and potentially approve the Reimbursement Agreement with the Brasswood developer.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners set a Public Hearing date of July 27, 2023, to receive public comment, review, and potentially approve the Reimbursement Agreement with the Brasswood developer.

6.) CAPITAL IMPROVEMENT PROJECTS:

a.) Staff Report – Thomas Lake Lift Station Replacement Project & Pay Estimate No. 14

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Thomas Lake Lift Station Replacement project and Pay Estimate No. 14.

The District awarded the contract for 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 June, the primary activity was the commissioning of the new lift station. The operational testing ran from June 8 – 11, 2023, and after a satisfactory outcome, the official commissioning period was from June 12 – 19, 2023. Power was disconnected from the old station by the PUD on June 20, 2023, and demolition of the old station and electrical panel began immediately afterwards.

After removing the existing lift station and piping inside the old wet well, it was determined that the existing concrete was in poor condition and will require some additional lining/repair work to rehabilitate and reline the structure beyond what was anticipated for use as a surge manhole.

Work included in Pay Estimate No. 14 for the month of June primarily consisted of percentages of the Lift Station Replacement and Electrical lump sum bid items, with some additional crushed rock.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 14 in the amount of \$7,872.34.

b.) Staff Report – Lift Station No. 3 Force Main Replacement – Pay Estimate No. 2

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Lift Station No. 3 Force Main Replacement and Pay Estimate No. 2.

The District awarded contract for the Lift Station No. 3 Force Main Replacement Project, in the amount of \$2,131,357.15, to Shoreline Construction Company on April 11, 2023. Pay estimates will be approved by the Board monthly as needed.

Note, there are two schedules of work on this project: 1) Schedule A for the work in the 134th Place SE/132nd Street SE roadway, 2) Schedule B for the work onsite. The two schedules also have different completion timelines.

In June, work continued with the installation of the new 12” HDPE force main in the 134th Place SE roadway and is approximately halfway complete. Between 100 – 160 feet of pipe is being installed per day, depending on the number of utility conflicts, which continues to be an issue.

A variance was approved by Snohomish County, to leave the existing force main pipe in place where it is not feasible to remove. On June 22, 2023, there was a verbal quarrel between a motorist and the off-duty police personnel providing traffic control at the intersection of 58th Drive SE, but no other recent complaints have been received.

Pay Estimate No. 2 mainly consists of multiple pay items on Schedule A associated with pipe installation to date, along with some smaller minor change items. A change order for some larger scale items will be presented for Board approval at an upcoming meeting.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 2 in the amount of \$670,842.78.

c.) Staff Report – Lift Station No. 4 Generator Replacement Project, Pay Estimate No. 3

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Lift Station No. 4 Generator Replacement Project and Pay Estimate No. 3.

The District awarded the Lift Station No. 4 Generator Replacement Project, in the amount of \$423,641.04, to Colvico, Inc. on January 13, 2022. Pay estimates will be approved by the Board monthly as needed.

Payment No. 1, in the amount of \$27,529.09, was approved by the Board on June 9, 2022, for the delivery of the canopy structural steel components. Payment No. 2, in the amount of \$55,250.00, was approved by the Board on January 12, 2023, for initial materials on hand for the fabrication of the new control panel.

The new lift station control panel was fabricated by QCC, a local supplier in Lynnwood, shop tested with District staff on November 9, 2022, and delivered for storage at District headquarters in April 2023. The contractor has requested an additional payment for materials on hand for final completion of the control panel and delivery as allowed for in the contract documents.

After delivery of the generator in June, a Pre-construction meeting was held on July 10, 2023. Colvico will be mobilizing onsite to start construction work the week of July 17th, install a temporary generator the week of July 24th, and then begin demolition. The project should be completed by the end of October.

Pay Estimate No. 3 consists of final assembly and delivery of the control panel to the District's shop, in the amount of \$22,100.00, including sales tax.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 3 for materials on hand in the amount of \$22,100.00.

d.) Staff Report – Award Construction Contract and Set Project Budget for the Solar Addition Project, and Resolution 843

Mr. Malen provided a Staff report to the Board of Commissioners regarding the Headquarters Solar Addition Project - Construction Contract Award.

In 2022, District staff applied for the Washington State Department of Commerce Solar Retrofit Grant and were successful in acquiring \$75,000 of State funding towards installing a 100-kW solar system at the District Headquarters. After the grant award, staff learned

that the District will also be eligible for a rebate of an additional 30% of the remaining project costs from the Federal Government, as authorized by the Inflation Reduction Act (IRA). Under the IRA tax exemption, local government agencies now qualify for a rebate equal to the tax credits available to individuals and businesses for qualifying energy savings projects and electric vehicles. The guidelines to claim this Federal credit are still being developed.

District staff reached out to qualified designers and selected Michiel Zuidweg from MZ Solar Consulting, to assist with the development of technical specifications, the overall bid process and, to support staff during construction and commissioning of the system. Mr. Zuidweg has extensive experience with solar projects that are similar in scope to the District's acting as an Owners Representative. He was crucial in putting together the bid documents, recognizing generator ATS requirements as well as panel and inverter intricacies.

The construction project was advertised for bid for two weeks in June. There was a bid walk for prospective bidders on June 14th with five local solar installers attending. Four bids were received, all electronic, and a virtual bid opening was held via Teams on June 28, 2023. The lowest submitted bid in the amount of \$264,714.12 was from Western Solar out of Bellingham. The bid from Western Solar is estimated to have a payback period of 20 years and an adjusted payback period of 14 years when factoring in the Department of Commerce grant money. If we also receive the Federal Inflation Reduction Act rebate, the payback period would be reduced by another six to eight years. This payback calculation assumes \$13,000 in electric savings every year, which would go up further accelerating the payback if the electricity prices increase. The system proposed by Western Solar uses panels and components warranted to 25 years with a two-year warranty on the labor. The Engineer's estimate for the project was \$320,000, and the bid result summary and detailed tabulation sheets were provided for review.

Western Solar has done an extensive number of solar installations for public agencies and large arrays similar to the work to be done for the District. Their submitted experience included Vashon Landfill in King County and the Maleng Regional Justice Center also in King County. This is in addition to more than 10 arrays of greater than 100 kW installed at other local companies. The consultant, Mr. Zuidweg, has also had good experiences with Western Solar. Staff recommended awarding the Headquarters Solar Addition Project to Western Solar as the lowest responsive and responsible bidder. L&I has been checked to make sure Western Solar is in good standing.

Western Solar has presented a schedule for the project with an estimated end and ownership with production before the end of 2023. A kickoff meeting is being scheduled for next week to discuss the next steps. Notice to Proceed for Western Solar will be sent upon approval by the Board of Commissioners.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Resolution No. 843, to award the construction contract to

Western Solar, Inc. in the amount of \$264,712.12 for the Headquarters Solar Addition Project.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the proposed project budget, totaling \$325,000, for the Headquarters Solar Addition Project.

7.) MAINTENANCE & OPERATIONS REPORTS:

a.) Update on New Lease/License Agreements for Wireless Communication Facilities

Mr. Brees provided an update to the Board of Commissioners regarding the draft lease agreements with Crown Castle.

The original lease agreement terms and all renewals for two wireless facilities, originally with Voice Stream Wireless, were scheduled to end on March 26, 2023. Crown Castle representatives (Crown Castle) is the successor to Voice Stream with respect to these leases) had been actively working with District staff through the course of 2022 to develop a new license agreement for the existing facilities; however, Crown Castle had failed to act on the agreement presented by the District, in October of 2022. In March of 2023, Crown Castle requested additional time, and a holdover extension of three months was drafted by the District. This holdover extension added three months to the term of the original agreements. Crown Castle executed the holdover extensions and remitted the payment, after some delay in doing so. The agreements and their holdover extensions expired on June 26, 2023, with Crown Castle failing to act despite multiple attempts to contact the assigned representatives by District staff.

Since Crown Castle has not been reliable or respectful of the District's staff time, Mr. Brees recommended that the District go in a new direction and obtain offers from carriers and tower management companies to operate the sites. As the District staff are not experts in the field of commercial real estate and the submarket for wireless facility leases, Mr. Brees recommended that the District enter into a professional services agreement with a Consultant who is an expert in these fields to represent the District. This consultant would work with the District staff and District Attorney to market the leases and obtain proposals that are most beneficial to the District in terms of rent and other lease provisions. Mr. Brees shared with the Board a statement of qualifications, references, and a draft professional services agreement with Steep Steel, LLC.

Following discussion, the Board of Commissioners concurred with the staff recommendation and directed the General Manager to finalize the draft agreement with Steep Steel, LLC, for consideration of the Board of Commissioners at a future meeting.

8.) INTERAGENCY REPORTS:

a.) Staff Report – CWSA Meeting Report

Mr. Smith provided a Staff report to the Board of Commissioners regarding the CWSA Meeting.

Commissioner John Warner and District Engineer Scott Smith attended the Clearview Water Supply Agency (CWSA) Meeting held on June 21, 2023. The meeting was held virtually via MS Teams. The meeting agenda included a report on operational issues, approval of disbursements and vouchers with a brief financial report, and an update on the CWSA long-range facilities plan.

AWWD M&O Superintendent, Joe Skeens, provided an update on the recent operations of the Clearview Pump Station. It was reported that there was only one afterhours callout for a VFD issue that staff was able to resolve remotely. A planned new air compressor for the site has been ordered and should arrive in August. Several routine preventative maintenance tasks were completed at the site by AWWD staff and vendors, including fire alarm and SCADA testing, as well as annual HVAC servicing. Daily flow in the month of May ranged from 8.2 to 11.5 MGD, and the larger pumps had to be used on occasion.

AWWD's Finance Manager, Loretta Smith Kelty, provided a brief Financial report. The Board was asked to approve disbursements in the amount of \$333,499.18, and vouchers in the amount of \$412,975.03. A brief discussion was also held regarding the SAO audit process, noting that the 2022 Audit was fully completed by the required deadline, and approximately \$18,000 in funding will be included in the next budget for an audit in 2024.

The last item was a brief presentation on the status of the CWSA Long Range Facility Plan by Paul Richart, the AWWD Interim Engineering and Development Director, and specifically the estimated project cost distribution and schedule. The final draft of the plan should be ready for review in July, with proposed adoption by the Board in August if no further changes are needed. A discussion was also held regarding a potential funding strategy for the proposed second reservoir using Public Works Trust Fund loans for design and construction.

It was agreed that a special Board meeting was not needed in July, and the next meeting of the CWSA is scheduled for Wednesday, August 16, at 3:00 p.m., via MS Teams.

b.) Staff Report – EWUC Meeting Report

Mr. Berger provided a Staff report, meeting notes, Everett's Water Situation Fact Sheet, and the Everett Water Storage Spada Elevation graph, to the Board of Commissioners regarding the EWUC Meeting.

Operations Manager Ron Berger attended the Everett Water Utility Committee (EWUC) Meeting on June 15, 2023, which was a hybrid meeting. The EWUC Meeting topics included updates from the Department of Health, status of the Water Conservation Program, an overview of the Water Supply Situation, updates on Everett Capital Projects, and PFAS sampling. There was not a Wholesale Sewer Customer Meeting following the EWUC Meeting.

9.) STAFF REPORTS

a.) District Engineer

No further report.

b.) **Finance Manager**

Mr. Nelson provided an update to the Board regarding the effective date of the new legislation prohibiting shut offs for non-payment when a heat alert has been issued by the National Weather Service. Mr. Nelson also reviewed how some of the District's peer agencies are modifying their policies to comply with the new law.

c.) **O & M Manager**

No further report.

d.) **Technical Services Manager**

No further report.

e.) **Attorney**

No further report.

f.) **General Manager**

No further report.

This ends the Minutes of the July 13, 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 July 13, 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 July 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 27th day of July 2023.

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


John Warner, Secretary