

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

September 28, 2023

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on September 28, 2023, beginning at 5:30 p.m. Attending in person were Commissioners Anne Backstrom, John Warner, and Shauna Willner. Also present in person was O&M Manager Ron Berger, District Engineer Scott Smith, and Finance Manager Brad Nelson. 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 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 September 14, 2023, 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. 20262 – 20322) in the amount of \$731,650.80; Revolving Fund Checks (Check No. 9258 – 9279) in the amount of \$92,831.87, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$324,443.14
Water Capital Improvement	14,343.20
Sewer Maintenance	266,470.40
Sewer Capital Improvement	126,394.06
Revolving Check Fund	92,831.87
Total	\$824,482.67

b.) Staff Report – Cash Transfer to Sewer Capital Projects

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

The District accounts for water and sewer Capital Projects through separate cash and investment accounts for both water and sewer. The separate cash and investment accounts allows for the segregation of capital water and sewer costs and their associated revenues.

During periods of rapid growth, the District was able to fund most Capital Projects directly from General Facility Charges (GFCs) or from low interest loans and bond proceeds. As the District's customer base has grown, the ratio of new connections relative to total connections is lower, and rate revenue from existing customers is needed to fund capital expenditures on projects in addition to GFCs. This is equitable as most of the District's current capital projects are the refurbishment or rebuilding of existing facilities that primarily serve existing customers. Use of rate revenue has been forecasted and built into the rate structure, following the 2021 Rate study.

The current Pre-closing Cash and Investment Report and a Pre-closing Cash Flow Statement for the Sewer Capital Project Fund was provided to the Board of Commissioners.

Following discussion, by motion passed, seconded, and carried unanimously, the Board of Commissioners authorized the transfer of \$3,000,000 to the Sewer Capital Projects Fund.

5.) DEVELOPMENT PROJECTS:

a.) Staff Report – 3rd Quarter Bills of Sale

Mr. Smith provided a Staff report to the Board of Commissioners regarding the 3rd Quarter Bills of Sale.

The Bill of Sale on a Developer Extension (DE) project is the legal mechanism used to transfer ownership of the utility infrastructure from the Developer to the District. Past practice has been for the Board to cumulatively accept the Bills of Sale at the end of each quarter.

Four DE projects were completed in the 3rd Quarter of 2023. The Juniper Townhomes should be completed in the 4th Quarter, and possibly the first phase of the Cathcart Crossing project at Highway 9.

The projects listed below have completed construction and the District is in receipt of the respective Bill of Sale. The attached summary spreadsheet identifies the infrastructure value on each project in the 3rd Quarter of 2023 and total to date. Staff is requesting the Board of Commissioners acknowledge acceptance of the Bill of Sale for the following development projects:

- **Dalston Grove** – 7 lot short plat at 171st Place SE and Sunset Road
- **Edgewood Estates** – 18 lot plat at 121st Place SE and 25th Avenue SE
- **Bakerview Subdivision, Phase 2** – 97 lot plat at 4330 108th Street SE. Note, the associated sewer lift station has been tested and is operational but will not be formally accepted until early 2024 when the permanent generator is installed and there is enough flow for a commissioning period.

- **Southard Sewer Extension** – Single lateral for a new SFR near Lift Station No. 2

The total value of the developer contributed facilities received by the District in the 3rd Quarter of 2023 is \$1,851,470.13.

Following discussion, by motion passed, seconded, and carried unanimously, the Board of Commissioners approved the Bills of Sale for 3rd Quarter of 2023.

6.) CAPITAL IMPROVEMENT PROJECTS:

a.) Staff Report – CIP Status Update

Mr. Smith provided a Staff report to the Board of Commissioners regarding the CIP Status Update.

The planned future projects in the District's Capital Improvement Plan (CIP) are listed in Chapter 8 in both the Water and Wastewater Comprehensive Plans. CIP projects are also included in the Annual Financial Plan. The Board has approved several contracts with various consultants, contractors, and vendors, and work is ongoing on most projects.

A quarterly CIP update was requested by the Board in 2020, and attached was an updated Status Matrix for both active Capital and Developer Extension projects in the 3rd Quarter of 2023. During the Board meeting on September 28, 2023, staff provided a summary of active projects for discussion by the Board.

b.) Staff Report – Reservoir No. 4 – Roof Painting

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Reservoir No. 4 – Roof Painting project.

Constructed in 2008, Reservoir No. 4 is the District's largest water storage facility with a capacity of 8.0 MG. In 2022, staff noticed areas of patchy premature paint failure on the reservoir's roof, and had a coating specialist investigate the situation in October 2022. The exact cause is unknown, and theories range from poor application to bird droppings.

However, the failure areas seem limited to the topcoat only, with the rest of the coating system still intact. The recommended solution is to pressure wash off the loose paint, dirt, and debris, and then repaint the roof with an approved coating system. Note, the side walls of the reservoir are still in good condition and only need to be cleaned. This work would be done by a specialized painting contractor and would need to be advertised for construction bids with a typical package of plans and specifications.

On January 26, 2023, the Board approved an On-call Engineering task with PACE Engineers, which has been used successfully so far on updating the District's Lift Station Standards and construction support on the Bakerview Lift Station. PACE has prepared similar painting bid packages for other Districts, and the Reservoir No. 4 project would be relatively simple, primarily consisting of specification work.

A task order scope and fee from PACE for the Reservoir No. 4 Roof Recoating project, in the amount of \$18,984.60, was attached for review. The Reservoir No. 4 Roof Painting project was included in the adopted 2023 Capital Project Financial Plan with an estimated budget amount of \$50,000 in 2023 and \$500,000 in 2024. If approved by the Board, the project would be put out to bid in late winter 2024 for summer construction.

Following discussion, by motion passed, seconded, and carried unanimously, the Board of Commissioners authorized the District's Engineer, to execute Task Order No. 3 as part of the PACE Engineers On-Call Contract for the preparation of the Reservoir No. 4 Roof Recoating construction bid package.

7.) MAINTENANCE & OPERATIONS REPORTS:

a) Staff Report – Surplus of District Property & Resolution No. 846

Mr. Berger provided a Staff report to the Board of Commissioners regarding the Surplus of District Property and Resolution No. 846.

Recently, the District's Part-time Electrician, Richard Hoffer, retired. The vehicle he drove (2009 Ford F350) is no longer needed for District use. A replacement vehicle has been ordered and is expected to arrive later this year or early 2024.

2009 Ford F-350, Vehicle No. 44:

Year	Mileage	Vin Number	License Number
2009	71,765	IFDWF36Y89EA00542	88764 C

As the value of the 2009 Ford F350 Utility Vehicle is estimated to exceed \$2,500, staff recommended that the Board of Commissioners authorize its sale at public auction, to be held at James G. Murphy in Marysville, Washington, on November 30, 2023.

Following discussion, by motion passed, seconded, and carried unanimously, the Board of Commissioners approved and adopted Resolution No. 846, declaring the 2009 Ford F-350 Utility Vehicle as surplus, and authorize sale at public auction.

b) Staff Report – Solar Project

Mr. Malen provided a Staff report to the Board of Commissioners regarding the Solar Project.

The District awarded the contract for the Headquarters Solar Addition Project, in the amount of \$264,714.12, excluding sales tax, to Western Solar, Inc., on July 13th, 2023. Pay Estimates will be approved by the Board monthly for work completed by the contractor.

Since the last update, much of the design and planning for the project has been completed. In addition, the structural permit has been applied for with Snohomish County and a response from the County is expected soon. Electrical design and layout are being finalized with the help of Michiel from MZ Solar Consulting. The layout of the solar panels has also been updated and an overhead image of the new configuration was attached for review.

Work included in Pay Estimate No. 1 primarily consists of Engineering and Design work, bond payments, and some project management and permitting work. No change orders have been made or are expected.

Following discussion, by motion passed, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No., 1 in the amount of \$11,770.50.

8.) INTERAGENCY REPORTS:

a.) Staff Letter – Recognition of Snohomish county Staff – Low-income Household Water Assistance Program (LIHWAP)

Mr. Nelson presented a letter to the Board of Commissioners in Recognition of Snohomish County Staff – Low-income Household Water Assistance Program (LIHWAP).

Following discussion, the Board of Commissioners signed the Recognition letter to be mailed to Snohomish County staff, regarding the Low-income Household Water Assistance Program (LIHWAP).

9.) STAFF REPORTS:

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson reported that it was a challenging shutoff day this week and gave some examples of several exchanges with customers.

Mr. Nelson reported on the Badger Meter Seminar that was held at the District this week. The seminar was well attended, and several District personnel participated in the event.

Mr. Nelson reported on the City of Everett Rate dispute. The city accepted the District's corrections regarding overstatements by the City in calculation the 2023 Sewer rates.

Mr. Nelson reported that staff is transitioning to Laserfiche for re-organizing permitting files, for efficiency and a higher level of security for customers.

Mr. Nelson reported assisting several hardship low-income customers through County programs that remain available.

c.) O & M Manager:

Mr. Berger reported hiring a new Seasonal Maintenance Worker, Theo Royal. The District now has two active Seasonal Maintenance Workers employed.

d.) Attorney:

No further report.

This ends the Minutes of the September 28, 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

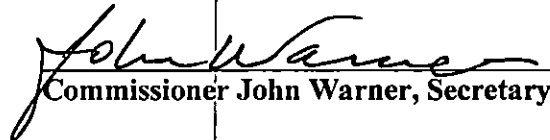
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 September 28, 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 October 12, 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 12th day of October 2023.

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


Commissioner John Warner, Secretary