

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

November 9, 2023

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on November 9, 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, District Engineer Scott Smith, O&M Manager Ron Berger, 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 virtually 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 October 26, 2023, were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There was 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, Payroll; Vouchers (Check No. 20435 – 20499) in the amount of \$1,212,775.33; Revolving Fund Checks (Check No. 9321 – 9339) in the amount of \$171,537.53, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$241,402.56
Water Capital Improvement	113,705.25
Sewer Maintenance	6,021.85
Sewer Capital Improvement	851,645.67
Revolving Check Fund	171,537.53
Total	\$1,384,312.86

b.) Staff Report – 2024 Equipment Replacement Assumptions

Mr. Brees provided a Staff report to the Board of Commissioners regarding the proposed 2024 Equipment Replacement schedule and the 2024 IT equipment and software licensing assumptions.

In 2007, the District's Commissioners approved Resolution No. 623, which adopted an Equipment Replacement Schedule for the District. This schedule authorized an Equipment Replacement Schedule of \$1,878,150 over the next twenty years. Since its approval, the District has purchased replacement vehicles and developed new assumptions based on changes in the types or changes in costs for the District's vehicles and equipment.

This review occurs as part of the annual financial planning process for the next fiscal year. Staff reviews the replacement schedule and reports to the Board of Commissioners on changed assumptions, vehicle replacement, and new equipment recommendations. Starting in 2018, staff began including technology replacements into the financial planning process. However, unlike vehicles and field equipment, technology products have a much shorter life and include Licensing and/or Maintenance Agreements as part of their ongoing costs.

Mr. Brees reviewed the report highlighting vehicles or equipment scheduled for replacement in 2024. While no replacements of existing fleet vehicles are planned, the District expects to receive and pay for vehicles purchased in 2022 or 2023. Next, Mr. Brees reviewed the vehicles that are planned to be surpluses and sold at auction in 2024 and the vehicles that will be "retained" during 2024. The term "retained" means an existing vehicle that has been replaced by a new vehicle but has not yet been sold. Retained vehicles continue to incur maintenance and operation expenses but can be a lower cost method to addressing short term or intermittent vehicle needs like the District experienced during COVID-19 or during the summer with temporary employees. Next, Mr. Brees reviewed one new equipment purchase, totaling \$113,500, which is a new Track Skid Loader with a trailer and attachments. The vehicle would provide a wide range of uses to the District including mowing, easement cleaning, and loading debris and material on a job site.

In total for 2024, staff recommendations would result in a net change in future replacement costs from \$3,639,500 to \$3,837,500, or an increase of \$198,000. A Table was provided that outlined the District's historic and current replacement costs by year and staff's recommended changes for 2024.

Staff included a 2024 IT Equipment Replacement list for both equipment and licensing agreements. For 2024, staff recommended the replacement of \$158,500 of existing equipment, including the repurposing of several desktop computers into docking station laptops. Some of these replacements were scheduled for 2023 but have been rescheduled to 2024.

Staff recommended \$118,500 in new equipment, software, and/or licensing agreement changes, including seven new lift station cameras and a new server for an intrusion monitor. A Table was provided to the Board of Commissioners that outlined the 2024 IT replacement purchases.

The Board of Commissioners discussed the 2024 Equipment and Technology Replacement and Assumptions and directed staff to include the 2024 purchases and changes to the assumptions.

5.) CAPITAL PROJECT REPORTS

a.) Staff Report – Lift Station No. 3 Force Main Replacement – Pay Estimate No. 6

Mr. Smith provided a Staff report to the Board of Commissioners regarding Lift Station No. 3 Force Main Replacement project and Pay Estimate No. 6.

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. Change Order No. 1, in the amount of \$92,087.54, was approved by the Board on August 10, 2023. Pay estimates will be approved by the Board monthly as needed.

There are two schedules of work on this project, with Schedule A for the work in the 134th Place SE/132nd Street SE roadway, and Schedule B for the work onsite. The two schedules also have different completion timelines.

The traffic signal loops were installed in the 134th Place SE roadway near 58th Drive SE on October 13, 2023, and the contractor completed the rest of the site cleanup work. The project was deemed Substantially Complete on October 13, 2023. A punch list walkthrough was done by G&O and District staff on October 31, 2023, with only minor items left for Physical Completion.

Pay Estimate No. 6 mainly consists of the final demobilization, traffic control, and signal loop replacement in Schedule A, along with the last half of the restoration item on Schedule B. Change Order No. 2 for some final items will be brought to the Board for approval at the next meeting.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 6 in the amount of \$46,189.00.

b.) Staff Report – Pioneer Trails Lift Station Replacement – Pay Estimate No. 3

Mr. Smith provided a Staff report to the Board of Commissioners regarding Pioneer Trails Lift Station Replacement project and Pay Estimate No. 3.

The District awarded the contract for the Pioneer Trails Lift Station Replacement Project, in the amount of \$3,783,639.34, to Faber Construction Corporation on June 8, 2023. Pay estimates will be approved by the Board monthly as needed. The contractor continues to move forward with the installation of the wet well and vaults at a rapid pace. The wet well caisson installation started at the end of September and was essentially completed in two weeks. There is a 24-inch diameter pipe that connects between the old and new wet wells, which was installed on October 19, 2023, and then capped on October 25, 2023, to prevent leakage between the two structures. The meter vault was installed on October 17, 2023, and the valve vault was installed on October 24, 2023. Preparation and coating of the new wet well was completed at the end of the month.

Pay Estimate No. 3 consists of additional amounts of the clearing and grubbing, traffic and erosion control, dewatering, and wet well items, along with the 24-inch connector pipe and initial valve/meter vault items.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 3 in the amount of \$564,748.26.

6.) MAINTENANCE & OPERATIONS REPORTS:

a.) Staff Report – HQ Solar Project – Pay Estimate No. 2

Mr. Malen provided a Staff report to the Board of Commissioners regarding the Headquarters Solar project and Pay Estimate No. 2.

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

Since the last update, the installation of the solar system started and is nearing completion, including electrical and structural elements of the photovoltaic system. Conduit has been run into the electrical room, where inverters and controls are in place to let the solar array coordinate with the generator. Roof racking, safety mount points and panels have been installed, with final installation expected to be completed by November 9th. There was a change to the existing panel layout due to roofline offsets, resulting in 13 panels moving from the south facing roof to the west facing roof. To meet the amount of power in our contract with Western Solar they added two more panels to account for the layout change. This change doesn't impact any installation and power generation and there are no future concerns.

Work and materials included in Pay Estimate No. 2 consists of delivery of all panels, inverters and racking, and labor for both the mechanical and electrical systems. All the materials for the project were delivered the first two days of the project, October 23rd & 24th, and installation began in earnest those same days. Conduit was run from the different array locations to the mechanical room of the headquarters, as well as inside for all the electrical components. Inverters and disconnects were installed and the connection with the generator are mapped out. Racking is installed along with the power optimizers and wiring, allowing for the coming installation of panels. As of today, panel installation is complete.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Pay Estimate No. 2 in the amount of \$210,098.20.

b.) Staff Report – L.S. No. 3 Electrical Upgrades/Infinium 30% Design Scope & Fee

Mr. Malen provided a Staff report to the Board of Commissioners regarding Lift Station No. 3 Electrical Upgrades/Infinium 30% Design Scope and Fee.

Lift Station No. 3 was designed and constructed as part of the District's original ULID formation in 1969. The Station was upgraded and improved as a part of large rehabilitation projects completed in 2001 and 2010. During the design of 2023 Force Main Replacement project, some station repairs were incorporated in the scope of the pipeline project. However, due to the schedule required for the roadway work and the specialization of contractors that perform these very different types of work, we decided to focus on pipeline improvements and minor station repairs best accomplished while bypass pumping was in

place and not take on significant electrical work. With the force main now substantially complete, it is a good time to consider the controls and electrical upgrades.

The current station controls were upgraded in 2013, by installing a new PLC and upgrading the communications to DSL. Drives were replaced and relocated from the dry well to the panels above ground. However, some portions of the electrical controls remain below ground in the dry pit area.

With the incremental changes and upgrades to the station, the controls and electrical equipment are becoming difficult to troubleshoot, wiring is not point to point. This issue was highlighted as a part of the 2023 Force Main project, where during the sandblasting work (in preparation for painting), the painting subcontractor did not adequately protect existing equipment and there was significant infiltration of blasting media into the electrical system and conduit. Repairs were completed to clean or replace what was damaged; however, the wiring is complex and difficult to work with.

The Scope for the work includes replacing old relay logic below ground, make the high float alarm & control intrinsically safe, delete the bubbler level control and bring all other controls above ground, except for three HOA stations which will remain down below.

The Scope of Services proposed by Infinium was provided. Work to be done includes field investigation, preliminary electrical plan drawings, components that need to be replaced and a coordination meeting. This is just the first step of the process to define the scope of updating the controls at the site, and further design work to be done will be determined from what is done as a part of this consulting work.

The District has an existing on-call contract and has worked with Infinium and Wes Ketchum extensively over many years, and his knowledge of lift stations at the District will be instrumental in upgrading the controls and Lift Station No. 3.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the task order with Infinium Engineering for consulting work for a fixed fee amount of \$12,040.00.

7.) STAFF REPORTS:

a.) District Engineer:

Mr. Brees reported on behalf of Mr. Smith that the District received the formal Loan Award Letter from the Public Works Board for a \$2,000,000 Construction Loan for the District's 10th Drive SE Water and Sewer Improvements Project.

b.) O&M Manager

Mr. Berger shared a short presentation of photos reviewing repair of two cast iron water main breaks that occurred last week. Repairs were promptly completed by the District's crews and there was no damage to private property.

c.) Technical Services Manager

Mr. Busch reported that the District was featured in a publication by Harvard's Kennedy School of Government. The article highlighted how the District integrates GIS in field operations for greater efficiency and discussed the District's lead service line inventory process. Copies of the article were provided to the Board.

d.) Attorney:

The District Attorney provided an overview of the proposed class action settlements with 3M and DuPont related to PFAS contamination, after which he gave the recommendation that the Board vote to opt the District out of both class action settlements.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners voted to authorize and direct the General Manager to opt the District out of the PFAS class action settlements with 3M and DuPont.

e.) General Manager:

Mr. Brees shared a press release by the City of Everett regarding the recovery of the crashed helicopter from Copper Lake (part of the Spada Reservoir Watershed).

Mr. Brees reported that he had recently received a questionnaire from WCIA regarding the District's deductible options for Auto and Property Coverage. Mr. Brees recommended selecting a higher deductible option for the Property Coverage as the District seldom has this type of claim and there is significant premium savings.

The Board of Commissioners concurred with the General Manager's recommendation to elect a higher deductible and lower premium for Property Coverage in 2024.

An Executive Session was requested to discuss matters pursuant to RCW 42.30.110 (1) (f). Commissioner Willner announced that the Executive Session would last for 20 minutes, and that the Board would exit the Executive Session at 6:35 p.m. Upon proper notice, the Executive Session was extended three times, and the Board exited the Executive Session at 6:53 p.m. No action was taken after the Executive Session.

This ends the Minutes of the November 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

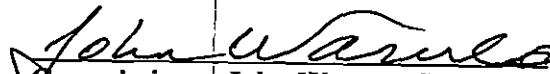
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

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 November 9, 2023, regular meeting of Commissioners, duly adopted at a special meeting of the Board of Commissioners of the District, held at the regular meeting place thereof on November 21, 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 21st day of November 2023.

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


Commissioner John Warner, Secretary