

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

November 21, 2023

The special meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on November 21, 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, and O&M Manager Ron Berger. Technical Services Manager James Busch, Finance Manager Brad Nelson, 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 November 9, 2023, were unanimously approved by the Board as circulated.

**3.) PUBLIC COMMENT:**

No members of the public participated in person or by teleconference at this time.

**4.) EXECUTIVE SESSION:**

The General Manager requested an Executive Session to discuss matters pursuant to RCW 42.30.110 (1) (i) and 42.30.110 (1) (g). A motion was made, seconded, and unanimously approved by the Board of Commissioners to convene to an Executive Session to discuss these matters. Before convening to the Executive Session at 5:32 p.m., Commissioner Willner advised that the Executive Session would be concluded at 5:52 p.m. Upon proper notice, the Executive Session was extended by five minutes. The Executive Session concluded at 5:57 p.m. and the open public meeting reconvened.

**5.) 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. 20500 – 20553) in the amount of \$309,832.71; Revolving Fund Checks (Check No. 9340 - 9357) in the amount of \$6,510.84, were unanimously approved by the Board and signed as follows:

<b>Fund</b>	<b>Amount</b>
Water Maintenance	\$75,925.81
Water Capital Improvement	0.00
Sewer Maintenance	205,658.28

Sewer Capital Improvement	28,248.62
Revolving Check Fund	6,510.84
<b>Total</b>	<b>\$316,343.55</b>

b.) **Staff Report – 2024 Salary & Wages**

Mr. Nelson provided a Staff report to the Board of Commissioners regarding the 2024 Salary and Wages.

The District’s third largest expense are salaries, wages, and benefits. The 2024 Salary and Wage Forecast communicates the expected changes to the District’s labor costs, due to inflation (CPI-W), employee benefits costs, taxes, employment laws, and the number of employees. Currently, the District has 35 full-time equivalent employees, a part-time Utility Clerk, and up to five Temporary Worker positions (Interns or Seasonal Maintenance Workers), four of which were filled at some point in 2023. The District had a part-time Senior Electrician, the incumbent employee retired in 2023 and the position is currently unfilled.

In addition to wages, District full-time employees and regular part-time employees that work 30 hours or more per week, are provided a fixed monthly stipend to purchase medical, dental, and vision insurance coverage for the employee and eligible dependents. Employees can then transfer up to 75% of any remaining stipend amount to a Health Reimbursement Arrangement (HRA or MVEBA). The fixed stipend amount is currently at \$2,525 per month. On November 9, 2023, the Board of Commissioners directed staff to prepare an increase to the stipend of \$75.00 per month, to address the 2024 cost increases for medical and dental benefits.

The District is also required by law to pay for FICA, Medicare, Washington Public Employees Retirement (PERS I, II, III), and Industrial Insurance (L&I). The rates for these programs are determined by either the Federal Government or the State of Washington. The 2024 Salary and Wage Forecast also includes labor costs for Commissioners, employee overtime and standby pay, and the seasonal and part-time employees.

The General Manager reviews the merit adjustments later in December with the Board of Commissioners along with the Annual Cost of Living Adjustment (COLA). The General Manager will present three employee reclassifications/promotions as a part of the merit discussion. It should be noted, however, that the General Manager’s recommendations are moving employees between existing positions in a progression based on qualifications and experience. The General Manager recommended the addition of a second regular FTE Associate Engineer and a second part-time Utility Clerk I for the front counter. There was a brief discussion reviewing the justification for each of these positions.

The Board of Commissioners annually reviews the October-to-October CPI-W as an inflation index adjustment. The 2023 October-to-October CPI-W for the Seattle-Tacoma area is 4.408%. The total forecasted salary and benefit costs of a 4.408% COLA is \$214,196. In addition, the General Manager’s November discussion regarding employee performance increases will include the estimated cost in 2024 of \$84,418, this is based

upon an average merit increase of 3.00% for employees that have not reached the top step of their job's salary range.

For 2023, the District is on path to meet the targeted total forecasted overtime hours of 923. For 2024, the estimate is also forecasted at 923 hours of total overtime. In addition to overtime costs, District Field staff are required to perform Standby Duty. This provides the District with a 24-hour, 7-days a week response to customers, the SCADA System, and other field maintenance needs. A second employee is designated to Standby Duty for midweek holiday days and holiday weekends. When warranted, a second duty person is assigned for weather events that are expected to impact District operations.

The District started 2023 with one part-time Utility Clerk at the front counter, a part-time Project Electrician, and two seasonal workers. For 2024, the General Manager recommended continuing the authority to hire up to three summer Seasonal Workers for Operations and one for IT to assist in the collection and conversion of GIS data. In addition, the General Manager recommended not replacing the part-time Project Electrician and adding another part-time Utility Clerk I for the Front Counter. The total cost for the part-time Utility Clerk I would be \$35,067. The District pays FICA, Medicare, and Workers Compensation for part-time or seasonal employees. The District pays for PERS for the Part-time Utility Clerks.

The District is served by a three-person elected Board of Commissioners. Commissioners are compensated at a per-meeting-rate of \$128.00. This rate is established by RCW 57.12.010. The per-meeting rate will increase January 1, 2024, and is expected to be around \$165.00 per meeting. RCW 57.08.100 authorizes Districts to provide Commissioners with the same health, group, or life insurance coverages, as their employees. The District is required to pay Federal FICA and FICA Medicare for Commissioners, and elects to cover the Commissioners for Washington State L&I. The total Commissioner compensation for 2024 is estimated to be \$93,388.

The District provides regular full-time staff a \$250.00 per month 457K matched contribution and \$125.00 per month for regular part-time employees. Currently, there are 31 regular full-time and 1 part-time employee taking part in the program. For 2024, we are forecasting all eligible employees will take part in the program for an annual cost of \$108,000.

Based on the reviewed assumptions, the District's total labor costs is estimated at \$4,658,561 in salaries and \$2,031,155 in benefits. Tables were provided to the Board of Commissioners that outlined 2024 Total Salary and Benefit Costs.

The Board of Commissioners discussed the 2024 Salary and Wage Report and directed staff on 2024 proposed changes to the labor assumptions and the 2024 COLA.

c.) **Staff Report – 2024 Capital Projects**

Mr. Nelson provided a Staff report to the Board of Commissioners regarding the 2024 Capital Projects plan.

The Silver Lake Water and Sewer District adopts Water and Sewer Comprehensive Plans to determine the long-term capital facility needs of the District, guide rate setting, and to determine the General Facility Charges for new connections. The District's current Water and Sewer Comprehensive Plans were adopted in 2017 and 2018 respectfully.

The 2024 Capital Projects Report provides a review of the District's current capital projects, and forecasts capital project costs for the next two fiscal years. Typically, most of the projects presented in the Annual Capital Projects Report were authorized in the Water and Sewer Comprehensive Plan.

Capital projects are large projects that have a long useful life and can take multiple years to complete. It is also important to note that during the ten-year planning period of the Water and Sewer Comprehensive Plans, a project's scope, estimated cost, and timing may change depending on the needs of the District, new opportunities or challenges, or available resources. Additionally, the project costs included in the Comprehensive Plans are based upon the projected costs in the year that the plan was prepared and have not been adjusted for inflation.

A Table was provided to the Board of Commissioners that outlined the District's expected investment in water and sewer infrastructure of \$18,715,816 in 2024, with another \$10,380,737 in 2025. This is a total increase of \$5,131,553 in capital project spending from 2023 and 2024. A Table was provided to the Board of Commissioners that summarized the projected Capital Project costs for each agency.

Funding to pay for the District's Capital projects are typically provided by rates and General Facility Charges that are assessed to all new water and sewer connections, or by the issuance of debt, including two Public Works Trust Fund Loans (PWTF). The District has an executed PWTF Loan for \$450,000 for design of the 10th Street Water Line Replacement and new sewer line construction and been awarded a \$2,000,000 loan was the water portion of the project.

The 2024 Capital Project Report also contains the District's portion of the City of Everett's Sewer Capital projects and Clearview Water Supply Agency (CWSA) Water Capital projects, according to the terms of Interlocal Agreements. Like the District's Capital projects, projections by the City of Everett and the CWSA can change from year-to-year.

The District is contractually obligated to pay a portion of certain City of Everett Sewer Treatment Plant projects. The District's percentage of the projects are defined by contract and based on the percentage of the City's Sewer Treatment Plant's capacity. For most treatment plant projects, the District's percentage is 16%. Tables were provided to the Board of Commissioners that outlined the City of Everett's current planned projects, the project's total budget, the District's share of the project (%), and the District's share of the projects for 2024 and 2025. It appears that the City of Everett is delaying the project related to the Sewer Treatment Plant to later years.

The District is a member of the CWSA and has contractual agreements to share in the capital improvement of CWSA's Capital projects. In 2023, the CWSA completed a capital

facilities report outlining needed improvements to the system, which has caused a significant increase in the number of projects and their costs for 2024 and 2025. A Table was provided to the Board of Commissioners that outlined the 2023 – 2024 projects and their respective costs to the District. The District’s share of costs, or an expected \$2,528,664.

The District also has smaller annual operating capital projects that are not typically contained in the Water and Sewer Comprehensive Plan, are at a smaller cost, and do not happen over several years. For 2023, the District is recommending \$2,725,000 in operating capital/large maintenance projects with the Reservoir Solar project applying for a \$75,000 grant. District staff is reviewing new grant standards for the HVAC projects.

The Board of Commissioners discussed the 2024 Capital Project Report and provided direction to staff for 2024 and 2025 projects.

**6.) DEVELOPMENT PROJECT:**

**a.) Staff Report -Tambark South DE**

Mr. Brees provided a Staff report to the Board of Commissioners regarding Tambark South DE.

The proposed 4-lot development is located at 17923 Sunset Road, between the recent Deol Short Plat project and a future Snohomish County stormwater pond. The parcel has one existing SFR, which was on a well and septic, and will be removed.

There is an existing 12-inch water main in Sunset Road, and a new 6-inch main will be tapped and run into the development with individual meters for each lot. If a new fire hydrant is required by the County Fire Marshal, the new main would be an 8-inch up to the hydrant. The water main will be looped through an existing utility easement on the Deol SP project, to eliminate a dead-end pipe.

To avoid conflicts with the existing AWWD transmission main in Sunset Road, sewer will also be routed through the existing utility easement with a minimum 5-foot separation from the water main. Four new manholes and a new 8-inch sewer main will be installed with individual gravity connections to each lot.

Staff requested the Board of Commissioners accept the Developer Extension Agreement for the Tambark South project.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the Developer Extension Agreement for the Tambark South project.

**7.) CAPITAL IMPROVEMENT PROJECTS:**

**a.) Staff Report –Thomas Lake Lift Station and Change Order No. 3**

Mr. Delfel provided a Staff report to the Board of Commissioners regarding Thomas Lake Lift Station and Change Order No.3.

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.

The project was deemed substantially complete on September 26, 2023, and a punch list walkthrough was done on October 5, 2023.

Several small changes were agreed upon and made towards the end of the project and are addressed in Change Order No. 3. These include grouting the old wet well to stop leaks, tightlining the building downspouts to the storm system, installing new piping for the sewer air vac assembly discharge, new pressure gauges, cable hangers, wet well intrusion switches, and some wood chips to protect the slope behind the electrical building.

In addition, contract time was added to account for equipment and material delivery delays due to ongoing supply chain issues.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Change Order No. 3 in the amount of \$27,910.58.

**8.) INTERAGENCY REPORTS:**

**a.) Staff Report – CWSA Meeting**

Mr. Brees provided a Staff report to the Board of Commissioners regarding the Clearview Water Supply Agency meeting.

Commissioner John Warner and General Manager Curt Brees attended the Clearview Water Supply Agency (CWSA) Meeting held on November 15, 2023. The meeting was held virtually via MS Teams. The meeting topics included review of the proposed 2024 Operating Budget for the Clearview Water Supply Agency and review of draft amendments to the Interlocal Agreement pertaining to Quorum and Format of the meeting.

Alderwood staff presented a summary of the proposed 2024 Operating Budget for the Clearview Water Supply Agency reviewing any significant changes from past years. There was discussion on a budget line item for purchased water noting that the 2023 actual expenditure is projected at \$4,454,518 when the 2023 budget was just over five million, the projection for 2024 is \$4,683,000. The total proposed Operating Budget for 2024 is \$5,462,068. No action was taken on the budget at this meeting, and consideration of the proposed budget is scheduled for the December meeting.

Under new business, the Alderwood staff draft language to amend the Clearview ILA in Sections 3.5 (Board Meetings) and 3.7 (Quorum) was discussed. The intent of the proposed amendments is to update the ILA to reflect the current trend, which began during the pandemic, of holding the meetings in a virtual format. The changes to Section 3.5 would allow meetings to be held, in person, remote (telephone or video conference), or hybrid

format of both. The change to Section 3.7 would allow a director attending a meeting remotely to count toward the quorum. No action was taken on this proposed amendment at this meeting.

The next meeting of the CWSA Board is scheduled for Wednesday, December 20<sup>th</sup> at 3:00 p.m. The meeting will be held virtually via Teams.

The Board of Commissioners reviewed the draft Budget and proposed amendments to the Clearview Interlocal Agreement.

**b.) Authorize GM to sign Vendor Agreement**

Mr. Brees provided a Snohomish County Human Services Water and Wastewater Contractor Agreement to the Board of Commissioners for review, regarding the Low-Income Household Water Assistance program (LIHWAP). In response to a question from Commissioner Willner, Mr. Brees indicated that the terms of the agreement are the same as the original agreement updated to reflect the current period or term.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to sign the Snohomish County Human Services Water and Wastewater Contractor Agreement to receive LIHWAP funds on behalf of eligible District customers.

**9.) STAFF REPORTS**

**a.) Finance Manager**

Mr. Nelson reported that District crews recently discovered cut locks at a few locations where service had been suspended for nonpayment. Mr. Nelson reviewed the incremental steps that the District takes from the initial shut off to physical disconnection from the District's system.

Mr. Nelson reported that the Audit of the District's Financial Statement for 2022 is nearing completion. The Independent Auditor has requested to interview a representative of the Board of Commissioners. Following discussion, the Board of Commissioners designated Commissioner Willner as the representative for the current audit.

**b.) O & M Manager**

No further report.

**c.) Technical Services Manager**

No further report.

**d.) Attorney**

No further report.

e.) General Manager

Mr. Brees reported that he is scheduled for Jury duty beginning on December 4 and may be out of the office, if called, to serve on a Jury.

Mr. Brees reviewed the end of the year calendar with the Board of Commissioners and inquired to see if the Board wished to recognize staff in some way at the end of the year. Mr. Brees suggested a few ways that has been done in the past. Following discussion, the Board of Commissioners directed the General Manager to close the office on December 22<sup>nd</sup> at noon, and to dismiss the staff early in recognition of their efforts in 2023 and in celebration of the holidays.

**This ends the Minutes of the November 21, 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 November 21, 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 December 14, 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 14<sup>th</sup> day of December 2023.

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

  
John Warner, Secretary