

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

February 22, 2024

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on February 22, 2024, 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, O&M Manager Ron Berger, and Finance Manager Brad Nelson. Eric Delfel with Gray & Osborne, Inc., and Chris Pirnke 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 Backstrom called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of February 8, 2024, 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.) FINANCIAL MATTERS:

a.) Vouchers, and Revolving Fund Check(s) Approval

Following discussion of various matters, including a payment to CDW, and the vouchers paid by the District, to the District, for utility services at District facilities, Vouchers (Check No. 20895 - 20944) in the amount of \$752,221.29; Revolving Fund Checks (Check No. 9441 - 9453) in the amount of \$23,471.83, were unanimously approved by the Board and signed as follows:

Fund	Amount
Water Maintenance	\$252,151.26
Water Capital Improvement	0.00
Sewer Maintenance	218,753.16
Sewer Capital Improvement	281,316.87
Revolving Check Fund	23,471.83
Total	\$775,693.12

b.) Staff Report –Write Off Bad Debt (Kingsbury)

Mr. Nelson provided a Staff report to the Board of Commissioners regarding writing off Bad Debt.

In 2019, the District was converting all the Latecomer and Special Connection Fees area maps to a new format, accessible in GIS. Prior to this effort, the records were paper based. It was discovered that in 2016, staff failed to collect a Special Connection fee associated with the Developer Extension agreement for the Kingbury Partners, LLC. This developer should have been assessed \$8,908.30 for the Thomas Lake Lift Station. In 2016, District policy was that once a Latecomer agreement had “sunset” after its ten-year reimbursement period to the developer, the District continued to collect the fee as a Special Connection fee. The District no longer collects this type of Special Collection fee, for developer extensions that the District did not participate in.

It appears there was some confusion, as the parcel identified as #63 on the Latecomer Assessment role was split into two parcels and developed separately. The developer was allowed to pay a portion of the fee with the first development, with the remainder due when the second half was developed. Typically, Developer Extension agreements require the developer to pay Latecomer and Special Connection fees as part of the acceptance process before any permits are sold.

Following the discovery of the omission, the District wrote Kingsbury Partners, LLC with a request for payment. However, by this time, development was accepted by the Board, the two-year bond had been released, and the LLC has been dissolved with its assets liquidated. The District received no response from the Kingbury Partnership, and staff believes the debt to be unrecoverable.

Commissioner Warner inquired how staff ensure that these fees are collected uniformly now. Mr. Brees responded that the effort completed in 2019, where this error was discovered, was undertaken to make the process easier to understand and more transparent. All staff have access to review the latecomer or Special Connection fees and an explanation is provided to detail how the fee is calculated for a specific location. The District Engineer certifies the payment of the applicable fee before allowing for the sale of permits in a plat where a Latecomer or Special Connection fee is due.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized staff to write off the outstanding \$8,908.30 Special Connection fee as uncollectable.

5.) CAPITAL IMPROVEMENT PROJECTS:

a.) Update – 2023 Review of Lucity Data/Crew Time & OT & Dashboards

Mr. Berger provided an update and shared a presentation with the Board of Commissioners reviewing the 2023 Review of Lucity Data/Crew Time, OT, and Dashboards.

Mr. Berger showed how the O&M team labor was distributed in 2022 and 2023 reviewing the work locations and tasks for both regular time and overtime work. Significant trends were reviewed such as locations that required frequent maintenance or afterhours call outs and that the overall amount of overtime was reduced in 2023 compared to 2022.

Mr. Berger also reviewed three dashboards that have been developed in Lucity (asset management software) to provide analysis of important tasks. The first dashboard reviewed has been developed to track work on the Lead Service Line Inventory. This dashboard is helping the District meet a regulatory requirement and efficiently tracks the work. A second dashboard was reviewed that is used to track cleaning of sewer lines and TV inspection. The third dashboard is a live count of some of the District's key assets such as miles of pipe or number of services.

Following discussion, the Board of Commissioners thanked Mr. Berger for the presentation.

b.) 2024 Conferences and Major Training

Mr. Brees provided a schedule of 2024 Conferences and Major Training to the Board of Commissioners for their review. The listing included all planned conferences and training that requires overnight accommodation, out-of-state travel, or registration fees of more than \$1,000.00. Mr. Brees reviewed the items for both staff and Commissioners, and attendance at the upcoming WASWD Spring Conference by individual Commissioners was discussed.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the 2024 Conferences and Major Training plan.

6.) INTERAGENCY REPORTS:

a.) Staff Report – EWUC Meeting

Mr. Brees provided a Staff report to the Board of Commissioners regarding the EWUC Meeting.

General Manager Curt Brees and District Engineer Scott Smith attended the Everett Water Utility Committee (EWUC) Meeting on February 15, 2024. The meeting was held in a hybrid format with a virtual option using Teams. The EWUC Meeting topics included: updates from the Department of Health, Water Conservation Program Update, an overview of the Water Supply Situation, and updates on Everett Capital Projects. A brief Sewer Wholesale Customer meeting was held to review status of the DOE General Permit for Biosolids and to review the quarterly billing summary.

Mr. P.J. Wilkerson, Department of Health (DOH), reported on rulemaking by the USEPA where the comment period on the Lead Copper Rule Revision is now closed. There is no change to the deadline for the completion of the Lead Service Line Inventory. Mr. Wilkerson reported that DOH is changing the recommendations for manganese levels. Any water system with manganese levels greater than 0.05 mg/L should install and operate manganese removal treatment at the water source.

Ms. Apryl Hynes, City of Everett, reported that status of the classroom education program is being compiled and will be soon distributed for reporting as a part water use efficiency reporting.

Mr. Souheil Nasr, City of Everett, provided a report on the water supply. The Spada Reservoir storage level is above normal for this time of year; however, the snowpack levels are below normal. It is still early in the year and there is the potential for both additional snow or conversely warmer weather and rain that will affect what snowpack there is. Without additional snow, it is possible that conservation measures will be required in 2024 to ensure adequate supply. The Water Situation Fact Sheet and a Water Storage Elevation Graph, showing storage levels in the reservoir, are provided as an attachment.

Next, Mr. Nasr provided updates on a few water CIP projects. The Reservoir 3 project is proceeding, currently at the 90% design milestone, scheduled to go to bid on April 1st, with plans for construction in 2024.

Mr. Jeff Marrs, City of Everett, reported on the generator project at the Water Filtration and Treatment Plant. The generator project is ongoing, physical work on Phase 1 is complete and commissioning is underway. A communications issue between the generator equipment and the switchgear utilized by the PUD has delayed progress on the commissioning. The total project is anticipated to be completed early next year.

Ms. Anna Thelen, City of Everett, provided a brief update on preliminary sampling for Manganese to comply with the new DOH recommendations, no issues are anticipated as levels appear to be below the new DOH threshold.

In a brief Wholesale Sewer Customer meeting, City staff reported that biosolids disposal can continue under the authority of the previously issued permit. DOE had their updated general permit appealed and in January, the Review board sided with the appellant, canceling this statewide permit. A billing summary for the fourth quarter was provided for review.

7.) **STAFF REPORTS**

a.) **Finance Manager**

Mr. Nelson reported that permit applications have been submitted for several of the townhome buildings in the first phase of the Cathcart Crossing development.

Mr. Nelson next reviewed some correspondence with customers on shut off day, detailing the process that the District uses to bill rentals.

Mr. Nelson also reported that the District was recently contacted by the Department of Retirement Systems to review the process the District uses to determine eligibility, including eligibility of Elected officials.

Mr. Nelson provided an update on the 2022 Accountability Audit. An Entrance Conference has been scheduled for Monday, February 26th. The audit team has requested to meet with one of the Commissioners to conduct a fraud risk assessment. Following discussion, the Board of Commissioners designated Commissioner Warner to complete this interview.

b.) O & M Manager
No further report.

c.) Attorney
No further report.

d.) General Manager
No further report.

This ends the Minutes of the February 22, 2024, 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 February 22, 2024, 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 March 14, 2024, 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 14th day of March 2024.

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



Shauna Willner, Secretary