

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

June 8, 2021

The special meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on June 8, 2021, beginning at 5:30 p.m. The meeting was held in hybrid format with Commissioners Anne Backstrom, John Warner, and Shauna Willner in person at the District Administration Building. Also present in person was General Manager Curt Brees and Finance Manager Brad Nelson. Attending by video conference were District Engineer Scott Smith, O&M Manager Ron Berger, Technical Services Manager James Busch, and GIS Analyst Katarina Hirai; Curtis Chambers with Inslee, Best, Doezie, and Ryder P.S., Attorney for the District; and Eric Delfel with Gray & Osborne, Inc. The public was provided access to participate 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 Backstrom called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of May 27, 2021 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There were no public present for comment.

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. 16773 - 16820) in the amount of \$249,602.76; Revolving Fund Checks (Check No. 7814 - 7819) in the amount of \$153,002.21, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$236,976.61
Sewer Maintenance	12,626.15
Revolving Check Fund	153,002.21
Total	\$402,604.97

5.) DEVELOPMENT PROJECTS:

a.) Staff Report – Cathcart Crossing Development & L.S. DEA's

Mr. Smith provided a summary to the Board of Commissioners on a Staff report regarding the Cathcart Crossing Development & Cathcart Crossing Lift Station Developer Extension Agreements.

The proposed Cathcart Crossing Development is located at the southwest corner of the intersection of Highway 9 and Cathcart Way and consists of 286 townhomes with two commercial buildings. A new Community Transit Park and Ride will also be constructed immediately to the south but is outside the District boundaries and Urban Growth boundary line.

Approximately 6,500 feet of new 12-inch and 8-inch water main will be installed with the project and will loop between existing offsite water mains in Cathcart Way for fire flow. All townhome units and the commercial buildings will need fire sprinkler systems.

Approximately 15 feet of fill will be brought in to raise the east end of the development site above the existing grade. The western end of the site can flow to sewer by gravity, but it is not feasible to serve the entire development by gravity without significantly more fill and grading work.

Consequently, a small new sewer lift station will also be constructed onsite for this development, along with approximately 4,800 feet of new gravity sewer main and 550 feet of force main. The discharge from the new lift station will be pumped uphill to an existing sewer manhole in Cathcart Way.

With the new DE Application and Agreement Forms that were adopted on February 25, 2021, the lift station and onsite utility work are separate DE's since they have different review processes, timelines, contractors, insurance requirements, etc. The new DE agreement also allows a longer timeframe for project completion.

Staff requested the Board of Commissioners accept the Developer Extension Agreement Applications for the Cathcart Crossing Development and Lift Station.

Commissioner Warner inquired if the developer would be required to construct any transportation improvements as a condition of this development. Mr. Brees and Mr. Smith answered that the exact requirements are unknown; however, a park and ride lot will be constructed by the developer on a parcel just outside the District adjacent to the development and the developer may be required to pay traffic mitigation fees. The collection of traffic mitigation fees is the typical mechanism used by Snohomish County to fund road improvements necessitated by new development.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved and executed the Developer Extension Agreement Applications for the Cathcart Crossing Development and the Cathcart Crossing Lift Station.

6.) **MAINTENANCE & OPERATIONS REPORTS:**

a.) **Staff Report – On-call Engineering Support Services**

Mr. Smith provided a summary to the Board of Commissioners on a Staff report regarding the On-call Engineering Support Services.

Gray & Osborne (G&O) has served as the District's engineering consultant since 1967, and Eric Delfel is designated as the primary consulting engineer. Recently, other

engineering design firms have been used on various Capital Projects, but G&O remains as the sole on-call consultant. However, the current contract with G&O, executed in 2017 is set to expire on August 16, 2021, with no further extensions available.

While the District has been generally satisfied with the performance of G&O over the years, a competitive selection process to contract with the most qualified engineering consultant is required per RCW 39.80. In addition, the operational and engineering needs of the District have naturally changed over the years, and what may have been needed 20 years ago is no longer necessary today.

District staff may recommend having multiple on-call consultants under contract for additional backup capabilities and a wider variety of experience, capabilities, and skill sets. The consultant(s) may be requested to attend the District's semi-monthly Board of Commissioners meetings as needed, but regular attendance would not be required. The design of small/limited works and/or in-house construction projects may also be requested from the on-call consultant(s).

The new on-call consultant contract will likely be a task order format with a defined scope and fee for each task under a total not-to-exceed amount for the contract. The contract could have a two-year term with up to two one-year extensions. Design for future District capital improvements that require a full PS&E bid package for construction would undergo a separate consultant RFQ process and subsequent design contract for each CIP project.

A Request for Qualifications (RFQ) was sent to water and sewer consultants listed in the MRSC Roster on April 28, 2021. Nine responses were received by the deadline of May 21, 2021, and five have been selected for an interview via MS Teams on Monday, June 21, 2021. District staff will facilitate a discussion on the proposed format of the new on-call contract and confirm if one of the Commissioners would like to participate in the interview and final selection process for a new On-Call Engineering consultant(s).

Following a discussion regarding the use of a single On-Call Engineering consultant as opposed to an approach to use more than one firm, the Commissioners concurred with the staff recommended approach and selected Commissioner Backstrom as a Board representative to participate in the interview process.

b.) Staff Report – Asset Management Demonstration

Mr. Busch provided a summary to the Board of Commissioners on a Staff report regarding the Asset Management Demonstration.

In late 2017, District staff began researching various Enterprise Asset Management Systems (EAMS). Chad Phelan, the previous Technical Services Manager, developed an RFP and published it in early 2018 and the District received three (3) responses. After evaluating the options, staff picked Lucity in May of 2018 with design and implementation beginning in the Fall of 2018 and work continuing throughout 2019. Katarina Hirai, GIS Analyst for the District, completed the original project implementation goals in early 2020 and continues to maintain and enhance the program. Katarina provided a PowerPoint Presentation regarding the Lucity (Asset management System).

The presentation highlighted the steps undertaken by District staff to implement the software and the substantial savings achieved by customizing the software internally rather than relying on customization by the vendor. Also reviewed were the various integrations that have been completed between the Lucity software and other processes at the District including: integration with our utility billing software (HMS) enabling tracking of service requests initiated by the Utility Clerks, integration with the fuel management system to track vehicle use and trigger preventative maintenance work, integration with GIS, and integration with the video inspection of sewer pipes.

A detailed review of the work order process was provided showing how all the field crew's time is tracked in Lucity, resulting in improved accuracy of time accounting which has resulted in more accurate billing for work performed on behalf of other agencies or in support of developer projects.

The Commissioners commended the efforts by staff and personally thanked Katarina Hirai for her efforts in implementing the Lucity Asset Management Software on behalf of the District.

c.) Update on RFP for Automatic Metering

Mr. Brees provided an update on the RFP for Automatic Metering. Mr. Brees reviewed how the District had received two proposals that are responsive to the RFP issued by the District. Two other proposals were submitted by other manufacturers/suppliers; however, these proposals are not responsive, their product offerings use different technology than as specified. These two proposals will not receive further consideration as they are not responsive to the RFP. It is anticipated that the next phase will be a small-scale demonstration of the two products that are responsive to the RFP.

7.) INTERAGENCY REPORTS:

a.) Staff Report – Amendment to the Tolling Agreement with City of Everett

Mr. Brees provided a summary to the Board of Commissioners on a Staff report regarding an Amendment to the Tolling Agreement with the City of Everett.

Late in 2019, the City of Everett transferred a property from its General Fund to its Utility Fund, on the premise that it was surplus to the general government but still of use to the Utility Fund as the property is permitted for disposal of biosolids and has been used sporadically for this purpose. The City sought to allocate proportionate costs to the Wholesale Customers, based on utilization of the treatment plant. The District, together with other wholesale customers (Alderwood Water & Wastewater District and Mukilteo Water and Wastewater District) disputed this billing, which is inconsistent with the agreements in place and how costs related to biosolids have been accounted for. Removal and disposal of biosolids is a regular O&M task at wastewater treatment plants and have been incorporated in the annual O&M costs. The City and the Districts were unable to resolve this dispute and entered into a Tolling Agreement, which runs through 2022.

Later in 2020, during the calculation of the monthly operating rate for wastewater treatment, it was discovered that the City had expended additional funds (operating funds) on the property purchase and was again seeking to allocate a portion of these costs to the District. District staff once again objected, also noting that the transaction was incorrectly

classified by accounting standards set by the State Auditor and GASB. Late in 2020, the State Auditor concurred that the transaction was incorrectly classified as an operating expense and should not have been segregated from the capital expenses. District staff still holds the position that the District is not responsible for the expenses related to a property purchase that is not at the wastewater treatment plant and is not identified in the agreement. However, City staff are also reluctant to yield in their position.

A letter has been drafted by the City and signed by the Mayor agreeing to add this additional sum to the dispute resolution process identified in the Tolling Agreement.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to sign the letter drafted by the City regarding the additional disputed sum related to the City's property purchase.

8.) **STAFF REPORTS:**

a.) **District Engineer:**

Mr. Smith provided updates on several of the District's Capital Projects:

- Alderwood Water & Wastewater District (AWWD) has received bids for the pipe relining project. The District's schedule received a favorable bid and we will want to proceed with the work in coordination with AWWD.
- Construction of Master Meter #3/Silver Acres Intertie Project is delayed until August, due to a supplier delay for the vault; however, work on all remaining submittals continues.
- Paving work is scheduled to begin next week, starting with the overlay of 131st Street.
- Work is currently underway on the Waldenwood Lift Station Abandonment Project. Mr. Smith and Mr. Delfel reviewed photos documenting the current work under construction.

b) **Finance Manager:**

Mr. Nelson reported that Cycle 3 bills have been sent out. This is the first cycle to be issued with the new rates. Utility Billing staff have been taking calls from some customers regarding the rate and class changes reflected on the current invoices.

c) **O&M Manager:**

Mr. Berger detailed the current trends of water use during the first hot spell of this summer. Mr. Berger and Mr. Brees discussed how District staff forecast and coordinated water use together with Alderwood Water & Wastewater District and Cross Valley Water District to minimize peaking on the City of Everett system, which can have a rate impact in the following year.

d) **Technical Services Manager:**

Mr. Busch reported that the deployment of the update to the Tokay software is near completion. This software is used to track the District's Cross Connection Control Program. The updated software will result in substantial labor savings for the District by shifting data entry from District personnel to the individual Backflow Testers. The testers

will directly input the test date on the web portal that is then reviewed by District staff upon submission, rather than data entry by District staff from paper forms.

e) Attorney:

Mr. Chambers provided an update on a new lawsuit involving the Department of Labor and Industries seeking to require the use of a plumber classification for work on all pressurized pipes. This is a significant change from current practices where this work is currently performed by pipefitters and results in increased costs for water main projects.

f) General Manager:

Mr. Brees provided an update on what he has learned regarding federal assistance for low-income customers. The program in development is modeled on the ongoing federal program for Low-income Household Energy Assistance known as LIHEAP. The Federal government will provide the funds to the State which will distribute to the existing partner agencies for the LIHEAP program, in Snohomish County (this is the County Human Services Department). If an individual qualifies, they will receive assistance paid directly to the utility provider. It is anticipated that these funds may become available in August or September.

Mr. Brees also provided a quick update on the various groups working on options for voluntary group Long Term Care insurance. Options for District employees might become available through Gallagher Benefits or WASWD. A group plan will offer lower rates and simplified underwriting. Individuals must have coverage in place by November 1st, 2021 in order to opt out of the State program funded by a payroll tax.

This ends the Minutes of the June 8, 2021 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 June 8, 2021 special meeting of Commissioners, duly adopted at a meeting of the Board of Commissioners of the District, held at the regular meeting place thereof on June 24, 2021 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 24th day of June 2021.

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



Shauna Willner, Secretary