

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

June 25, 2020

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on June 25, 2020, beginning at 5:30 p.m. Attending by video conference were Commissioners Anne Backstrom, John Warner and Shauna Willner; also present by video conference were General Manager Curt Brees, District Engineer Scott Smith, O&M Manager Ron Berger, Technical Services Manager, James Busch, William Linton 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 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 June 11, 2020 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

No members of the public participated in the teleconference.

4.) FINANCIAL MATTERS:

a.) Vouchers and Check(s) Approval

Following discussion of various matters, vouchers and revolving fund checks were unanimously approved and signed as follows:

Fund	Code	Number	Amount
Water Maintenance	743 5408666	.06-039-.06-073	\$61,868.16
Sewer Maintenance	743 5418666	.06-015-.06-027	791,155.13
Revolving Check Fund		7141 - 7165	12,821.37
Total Warrants			\$865,844.66

5.) CAPITAL IMPROVEMENT PROJECTS

a.) Staff Report – Waldenwood Lift Station

Mr. Smith provided a Staff report regarding the Waldenwood Lift Station Project and Change Order No. 1.

The District awarded the Waldenwood Lift Station Replacement Project to McClure and Sons (MSI) on June 6, 2019. Previous pay estimates have been approved by the Board monthly.

Work is wrapping up on the building's CMU block walls, and the glass block windows are being installed. MSI is also working on modifications to the main access stairway to the pump room.

Several minor design changes have been required over the course of the project so far, which is typical on a project of this size. Changes range from different valve types and modifying the flow meter vault, to door modifications and adding a wet well vent. Mr. Delfel, the G&O Project Manager, briefed the Board on the various cumulative items proposed for Change Order No. 1.

The proposed cost for Change Order No. 1 is \$32,159.00, which is available in the project's contingency fund of \$199,225.00. Thirteen working days would also be added to the contract completion time.

The Commissioners requested that Mr. Smith provide additional detail on a few of the items included in the change; these items were discussed. Additionally, it was noted that the additional thirteen working days is limited to the direct impacts of the changes and does not include any adjustment in working time due to COVID-19. It is anticipated that the contractor will, at a future date, request some additional time be added to the Contract, due to supplier delays resulting from COVID-19.

Staff requested the Board of Commissioners approve Change Order No. 1 in the amount of \$32,159.00 and the addition of thirteen working days to the contract completion time.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Change Order No. 1 in the amount of \$32,159.00 and the addition of thirteen working days to the contract completion time.

Photos showing work underway this week and the project's current status were reviewed by the Board of Commissioners.

b.) Staff Report – Water Quality Distribution System Optimization Study

Mr. Smith and Mr. Delfel reported on the Water Quality Distribution System Optimization Study and attached Executive Summary, District Water Facilities Map, and a Water Age Map for this project.

The Silver Lake Water and Sewer District (District) contracted with Gray & Osborne to perform an assessment of the District's existing Water Distribution System with regards to water quality and maintaining sufficient chlorine residual throughout the system at all times. The goal of the Assessment was to identify potential causes for low chlorine residuals within the distribution system during both summer and winter months, and to identify possible modifications, both physical and operational, that may help ensure a high quality, consistent, compliant, and cost-effective water supply to District customers. The Assessment is also in response to changes in the Washington Administrative Code (WAC) with regards to the definition of a detectable chlorine residual which is now defined at equal or greater than .2 mg/L, where it was previously defined as greater than 0.

Mr. Delfel, the G&O Project Manager, briefed the Board on the results of the study and associated recommendations, utilizing a power point presentation. Following the report, the Board discussed the recommended next steps with Mr. Delfel and staff including: operational changes to increase cycling of the reservoirs, initiating a regional discussion to increase the chlorine dose at certain times, and conducting additional sampling at Reservoir No. 3, which was offline for most of the study period. A possible capital project to increase the District's residual disinfection was discussed. For approximately \$100,000, a Chlorine Booster System could be installed at Reservoir No. 4 and used only when needed to maintain an acceptable chlorine residual.

6.) MAINTENANCE & OPERATION REPORTS:

a.) Staff Report – Lift Station Repair Parts

Mr. Berger provided a Staff report regarding Lift Station Repair Parts and draft Resolution No. 798 – Waiving Competitive Bidding Requirements.

The District currently operates and maintains twenty-two sewage lift stations to convey sewage to area wastewater treatment plants. Currently, twenty-one of the lift stations are a package station built by Smith and Loveless, manufactured at Lenexa, Kansas. Four of the oldest sites, dating back to 1979, are either scheduled for elimination (Windsong Terrace) or for replacement and updates including: Waldenwood (under construction), Pioneer Trails, and Thomas Lake that are scheduled as District Capital Projects for reconstruction in 2021 or 2022.

However, the remaining 17 Smith and Loveless stations, the oldest vintage is 1997 and the newest was installed in 2010. Many need rehabilitation due to continuous operations and very high wear. Since Smith and Loveless is a proprietary brand, all replacement parts must be purchased directly from Smith & Loveless. When ordering parts, the District has found that Smith & Loveless does not have large inventories available on most components, and as such, must be special ordered with long delivery lead times.

A complete evaluation is being performed by the Utility Systems Group, to prioritize which sites are in the greatest need for rehabilitation. Following the survey, prioritization, and repairs of the lift Stations, District staff would like to inventory and stock replacement parts for each site. Some of the parts are interchangeable and can be re-stocked as needed upon use. It is anticipated that some of the required purchases would exceed purchasing thresholds and require competitive bidding.

Staff requested the Board of Commissioners approve Resolution No. 798, to waive the competitive bidding requirements of RCW 57.08.050 and to purchase lift station repair and replacement parts from a sole source provider.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Resolution No. 798, waiving the competitive bidding requirements of RCW 57.08.050 based upon the existence of a sole source for the parts and to purchase sewer lift station repair and replacement parts from a sole source vendor.

b.) Staff Report – District Statistics at Year End 2019

Mr. Brees provided a brief Staff report on District Statistics at Year End 2019.

During the course of the year, the Board of Commissioners receive various reports from District staff concerning finances, development activity, and the operations of the District. Staff will present a Summary report reflecting the status of the District, at the end of 2019.

Going forward, these measures will be reported on annually, to establish benchmarks for the size and condition of the District. This will be reported on in June each year, as the statistics will reflect financial performance and other measures that draw upon other reports, such as the Financial Statements and the Water Use Efficiency Report that are completed in May. Other District staff will present this information at an All Staff Meeting, so that they will be better informed in their interactions with customers or peer agencies.

c.) Staff Report – Purchase Authorization – Vehicles

Mr. Brees provided a Staff report and an Equipment Replacement Schedule – 2020 Financial Forecast, on Purchase Authorization for District Vehicles.

The District maintains a small fleet of vehicles and specialized equipment for general operations and utility maintenance. Resolution No. 623, adopted in 2007, authorized a schedule of the vehicles and equipment owned and operated by the District. The resolution also delegated authority to the General Manager to replace equipment according to the schedule that estimated the useful life of each piece of equipment. Annually, the Board of Commissioners reviews the scheduled replacements and considers any requests by staff to modify or add to the schedule based on the current needs of the District. The list was most recently reviewed on October 24, 2019, and three vehicles were scheduled for replacement in 2020 in addition to assorted equipment and a sewage bypass pump. These vehicles and the assorted equipment have been ordered and to date, none of the vehicles have been received, due to production delays. It is anticipated that two of the vehicles will be received later this year and the third in 2021.

Since October, the District's need for vehicles has changed, by the addition of one new employee (Senior Construction Inspector) that will require a dedicated vehicle, and the COVID-19 emergency. This new employee will travel to multiple jobsites throughout the District every day and will require a dedicated vehicle. The appropriate vehicle will be a small sport utility vehicle with all-wheel drive as the Inspector will need to store tools and equipment onboard and access unimproved construction sites. RCW 43.19.648 and Resolution No. 765 require, to the extent practical, that the District should purchase alternative fueled vehicles when the vehicle is not used for emergency response. Staff believes that hybrid or battery electric vehicles are now practical (increased acquisition cost is offset by lower costs for fuel and maintenance as is the case of electric vehicles) for the proposed use and will seek to purchase either a hybrid or battery electric vehicle.

Additionally, COVID-19 has changed how the District utilizes vehicles. To maximize social distancing, District staff are operating vehicles as single occupants to travel to works sites around the District. This has increased the demand for vehicles, especially

light duty trucks and the two existing sport utility vehicles. It is now apparent that this need is likely to continue for many months, into 2021 and potentially beyond. Therefore, the General Manager is recommending that the District replace two vehicles now that were scheduled to be replaced in 2021. Staff will attempt to purchase these vehicles from current dealer stock, if a vehicle is suitable to the District's needs and can be located. The existing vehicles that are to be replaced will be retained on a temporary basis while the impact and preventative measures associated with COVID-19 are ongoing. When this need to utilize vehicles with single occupants has passed, the replaced vehicles will be declared surplus and sold by the District. In total, three vehicles will be retained; one from the previously authorized 2020 replacements and the two vehicles originally scheduled for 2021 replacement.

Staff requested the Board of Commissioners authorize the purchase of one additional and two replacement vehicles. One vehicle will be an addition to the District's fleet and two will be early replacement of vehicles scheduled to be purchased in 2021.

Staff also requested the Board authorize the General Manager to retain three replaced vehicles for use during the COVID-19 emergency.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the purchase of one additional, and two replacement vehicles, and also authorized the General Manager to retain three replaced vehicles for use during the COVID-19 emergency: Vehicles #35, #53 & #58.

d.) Staff Report – Cross Bore at 13432-22nd Avenue

Mr. Berger provided a Staff report and photos to the Board of Commissioners regarding the Cross Bore Sewer Mainline located at 13432-22nd Avenue SE.

On Thursday, June 18, 2020, the Vactor crew was performing routine sewer cleaning at 13432-22nd Avenue SE, Mill Creek. Crew discovered an obstruction in the line. They also discovered a lot of pea gravel each time they attempted to clean the line. No backup was present in the upstream manhole. Crews prepared for a following day video inspection.

On Friday, June 19, 2020, District crew video inspected the 8" PVC Mainline Sewer pipe. At 84' from the downstream launch manhole, District crew discovered a 2" Conduit that was bored directly through the District's sewer line. Crews cleaned and video inspected the line and were confident that the repair could wait until Monday for better staffing levels to be available. A locate search revealed that there was a Locate called in by a Comcast subcontractor performing work at this address. Neighbors on this street stated that a crew was working on June 16, 2020, boring under the road for Comcast service. A regional Comcast supervisor was contacted and they stated that a representative would be onsite Monday morning for the excavation and to witness the damages.

On Monday, June 22, 2020, District crews called in an Emergency Locate and excavated to the broken 8" PVC pipe. The Comcast 2" conduit was drilled completely through the District's PVC pipe. At the direction of a Comcast representative, Troy Messick, District

crew cut the conduit completely out of the way and made repairs to the District's sewer line. Comcast will re-bore their line at a later date.

Paving and final restoration will occur on Wednesday, June 24, 2020. No sewer backups or property damage occurred at this site, due to the Comcast Cross Bore. An invoice will be prepared and sent to Comcast for all the District expenses related to this repair.

7.) **INTERAGENCY REPORTS**

a.) **Staff Report – Clearview Water Supply Agency**

Mr. Brees provided a Staff report regarding the Clearview Water Supply Agency Meeting.

General Manager Curt Brees and Commissioner John Warner participated in the Clearview Water Supply Agency (CWSA) Meeting held on June 17, 2020. The meeting was held in a video/teleconference format. The meeting agenda included a review of Maintenance and Operations Reports and Financial Reports.

There was one emergency call-out during the month of May, related to a temporary power outage. Minor maintenance items have been completed at the pump station. Water use was down in May and the daily flows have been reduced to an average of 8 MGD, where the average setting in April was 10 MGD. This corresponds to wet weather that occurred during the month.

There were no major items to report with respect to finances for the month of May. It was reported that interest rates are still down, due to the current economic conditions. Monetary Assets for CWSA, as of May 31, 2020, totaled \$795,823.35. The Vouchers approved at the meeting totaled \$412,523.34, with water and power constituting approximately \$387,900.00 of the total expenditures. The District's utilization was 32% of the total volume delivered by CWSA during April.

The next meeting of the CWSA is scheduled for Wednesday, July 15, 2020. The date and format of the Annual Meeting typically held in June will be held at a later date to be determined.

b.) **Staff Report – EWUC and Wholesale Sewer Meetings**

Mr. Brees provided a Staff report with attached Everett Water Situation Sheet, Everett Water Storage/Spada Elevation Graph, Wholesale Sewer District Billing Summary, and City of Everett Letter regarding the 2020 Sewer Rate provided at the EWUC and Wholesale Sewer Meetings.

General Manager Curt Brees and District Engineer Scott Smith attended the Everett Water Utility Committee (EWUC) and Wholesale Sewer Customer Meetings held on June 18, 2020. These meetings were held virtually, due to COVID-19. The EWUC Meeting topics included: updates from the Department of Health, an overview of the water supply situation, status of the Water Conservation Program, and updates on Everett Capital Improvement Projects. At the conclusion of the EWUC Meeting, a Wholesale Sewer Customer Meeting was held to address nutrient caps, updates on sewer capital projects,

and the Tolling Agreement between the City of Everett and the Districts that are wholesale sewer customers.

Ms. Erica Lindsey with Department of Health (DOH), was not able to attend the meeting but provided updates to the group in writing, regarding water system surveys and the upcoming 2020 Needs Assessment Survey that the DOH is conducting. Ms. Lindsey's written report indicated that the DOH is working on a format to conduct the water system surveys through employee virtual meetings and social distancing onsite inspections. It was reported that the Needs Assessment has been delayed due to COVID-19.

Mr. Jim Miller, City of Everett, provided a report on the water supply. The Reservoirs are full and rainfall in the watershed has already exceeded averages for the water year that will end in the fall. It is predicted that there will be adequate water supply through the rest of 2020 and into 2021. The Water Situation Fact Sheet and a second sheet showing storage levels in the reservoir were provided to the Board.

City Staff reported that the Draft Chapter on the Water Conservation has been completed for the update to Everett's Comprehensive Plan. It was reported that the educational component of the Water Conservation Program that provides classroom instruction was greatly curtailed, initially due to COVID-19, but has since transitioned to online lessons for teachers to share directly with their students. The new online lessons have been utilized by approximately seventy teachers.

City of Everett staff provided updates on several CIP projects including: replacement of the East Clearwell roof, transmission pipeline modifications related to the construction of the new Costco in Lake Stevens, rehabilitation to Everett's Reservoir No. 3, and Emergency Generator Replacements at the Water Filtration Plant. It was reported that the Clearwell roof has been slightly delayed but is still on a schedule to be completed in 2020. This project is funded by the City's Insurance. The new Lake Stevens Costco construction will require modification to existing transmission lines serving Everett. The customers served by this pipeline corridor should have access to at least one pipeline at all times. This work will be funded by Costco, as part of their site development. This work will not directly impact Pipeline No. 5 which feeds the Clearview Pump Station and the majority of the District. It was reported that most of the work at Everett's Reservoir No. 3 has been moved to the fall of 2021. The City of Everett was successful at replacing a valve that should allow Pipeline No. 5 to operate during their work at Reservoir No. 3. Generator replacement at the Water Filtration Plant is ongoing and will occur in phases through 2020 and into 2021.

Following the EWUC Meeting, the Wholesale Sewer Customers (the District, the Alderwood Water & Wastewater District, and the Mukilteo Water and Wastewater District) met with City of Everett staff. The first topic of discussion was coordination of a response to Snohomish County regarding the update of the County's Capital Facilities Plan. This plan, which is part of the Comprehensive Plan of the County, has a chapter on Water and Wastewater Facilities, specifically what are the capital needs of these facilities to support the growth projected in the comprehensive plan. New regulations by the Department of Ecology (DOE) to limit nutrient discharge to Puget Sound could lead to

moratoria on new sewer connections, until very expensive upgrades are made to existing sewer plants. The regulatory process (DOE and Snohomish County) have been operating in separate silos and a Capital Facilities Plan may be an avenue to highlight the impact of the proposed rule changes by DOE that has been largely ignored. Mr. Jeff Clarke, Commissioner for the Mukilteo Water and Wastewater District, is on the advisory committee to DOE representing water and sewer utilities. Commissioner Clarke will be drafting and sharing a response for the utilities to use in responding to Snohomish County's request for comment on the Capital Facilities Plan.

Next, a CIP Project sheet was distributed and discussed. Due to COVID-19, progress on the City's projects has slowed, resulting in lower projected spending for the remainder of the year. There was also a brief discussion of the Tolling Agreement, concerning the purchase of property for biosolids disposal. The City's position is that it is a reimbursable capital project to the wholesale customers. The District, together with the other customers, have objected based on the terms of the agreement and past billing practices. The Tolling Agreement is now ready to be signed by all the parties and is a step forward in that at the end of a two-year period, if there is not a mutual agreement, binding arbitration is called for. Arbitration is preferable to the current dispute resolution, which is not defined by the agreement where Superior Court is the only avenue at considerable expense. The Board of Commissioners have previously authorized the General Manager to execute this agreement when it was finalized.

Finally, the District has received notification from the City of Everett that they will accept the District's calculation of the 2020 Sewer Rate, until such time as it is reviewed by the State Auditor's Office and a determination is made. A copy of this letter was provided to the Board.

8.) STAFF REPORTS:

a.) District Engineer:

Mr. Smith provided a series of status updates on design contracts and Request for Proposal (RFP) processes he is overseeing. The projects included: a project to prepare and administer a unit price contract for pavement repairs, a current RFP to select firms to design lift station improvements, a service contract for CCTV of the District's sewer system, and the Risk and Resiliency Study.

b.) Finance Manager:

Mr. Brees reported on behalf of Mr. Nelson that the District has nearly finalized the agreement with Invoice Cloud for E-Bill presentment and electronic payment processing.

c.) O & M Manager:

Mr. Berger reported that Maintenance crews are cleaning sewer lines in advance of the work by the contractor to CCTV inspect.

d.) Attorney:

Mr. Linton provided an update to the Board on the recent ruling by the Washington State Supreme Court, concerning the imposition of an excise tax by the City of Federal Way.

The Court ruled in favor of the City and against several water/sewer utility districts. The City may impose a tax on revenues with essentially no limit.

e.) **General Manager:**

Mr. Brees reported that there is an upcoming Administrative Hearing related to an unemployment claim. Mr. Brees also reported that the District's office will be closed on July 3, 2020, in observance of the 4th of July.

There being no further business before the Board, the meeting was adjourned.

This ends the Minutes of the June 25, 2020 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 June 25, 2020 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 July 9, 2020 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 9th day of July, 2020.

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



Shauna Willner, Secretary