

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

April 22, 2021

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on April 22, 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. Attending by video conference were O&M Manager Ron Berger, Finance Manager Brad Nelson, and Technical Services Manager James Busch; William Linton with Inslee, Best, Doezie, and Ryder P.S., Attorney for the District; Eric Delfel with Gray & Osborne, Inc. The public was provided access to participate in person at the meeting location 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 April 8, 2021 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There were no public present for comment.

4.) 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. 16565 - 16635) in the amount of \$334,543.19; Revolving Fund Checks (Check No. 7703 - 7714) in the amount of \$13,086.74, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$125,927.73
Water Capital Improvement	1,950.01
Sewer Maintenance	195,337.52
Sewer Capital Improvement	11,327.93
Revolving Check Fund	13,086.74
Total	\$347,629.93

b.) Staff Report – Update on 2021 Everett Sewer Rate & Amendment to Biosolids Tolling Agreement

Mr. Nelson and Mr. Brees provided an update to the Board of Commissioners on the 2021 Everett Sewer Rate and a potential amendment to the Biosolids Tolling Agreement. Mr. Nelson reviewed the final discussions pertaining to the calculation of the 2021 Everett

Sewer Rate, providing an overview to the adjustments presented to the District by the City of Everett (City) staff. The final calculated rate is \$43.13 per ERU which is a substantial reduction from the rate of \$45.17 that was first presented by the City in March. Mr. Brees summarized that there is still a matter in dispute between the District and City for the calculation of the rate which is regarding an additional expense that the City first included in the 2020 rate for the purchase of the Biosolids property. The District and other wholesale customers have previously entered into a Tolling Agreement regarding this property purchase as a capital expense; however, the City had billed the District an additional amount as an operational expense and attempted to include it in the rate calculation in 2020. The City is still seeking to recover a portion of the cost. The District's position is that it is not an expense we are responsible for, according to the terms of the Interlocal Agreement. It is anticipated that the City will request to amend the Tolling Agreement to include this additional disputed amount.

5.) **MAINTENANCE & OPERATION REPORTS:**

a.) **Staff Report – Service Leak on 9th Drive**

Mr. Berger provided a summary to the Board of Commissioners on a Staff report regarding a service leak on 9th Drive.

Recently, while routinely deploying District leak detection equipment in the Silver Acres area, the equipment located a leak occurring at 12318 9th Drive SE. District crews responded to the site to find a large Fir Tree directly located over the water main and service line at the identified location of the leak. No water was coming to the surface at this time.

A tree service was contacted, and they removed the tree prior to District crew work. After the tree was removed, excavation occurred to repair the leak. After cutting out many roots, it was determined that the copper service line was leaking, due to pressure from roots growing around the lines. The Corp Stop was shut off and a new piece of copper was installed.

Photos were presented showing that north of this repair there are large trees visible, that are over or near the water main. This waterline is in the Capital Improvement Project listing scheduled for replacement. Replacement of this waterline and other water mains in the area are due to age, size, and large trees that are growing over the lines.

This leak was discovered by the District's active Leak Detection Program. The Operations Supervisors team keeps this equipment deployed often and are discovering these smaller types of leaks that have not yet been discovered. Prior to the District investing in the Gutermann Leak Detection equipment, past practices were that the District hired outside vendors to do a rotating 30 miles of leak detection each year. Last year, District crews performed leak detection on 45 miles of waterline using the District's detection equipment.

b.) **Staff Report – Software Purchase Authorization – Tenable.OT Vulnerability Scanning**

Mr. Busch provided a summary to the Board of Commissioners on a Staff report regarding software purchase authorization – Tenable.OT Vulnerability Scanning.

At the April 8th Commissioners' meeting, staff reported on the Risk and Resiliency Assessment completed by Varius, Inc. This report recommended 55 operational changes or system improvements to reduce risk and/or improve resilience of the District. Several of the items relate to identifying and resolving computer-related vulnerabilities. Some of the items are simple operational changes where others will be larger capital projects. District staff will be looking to implement these recommendations wherever feasible, and are ready to move forward with a software product which will address three of the computer-related vulnerabilities identified in the assessment:

- **#3 – Scan/Detect System:** Implement regular vulnerability scanning and rogue device detection via a full-featured vulnerability scanning system such as Tenable's Nessus.
- **#23 – Resilience Analysis:** Perform detailed analysis of SCADA for vulnerabilities and resiliency.
- **#26 – Vulnerability Management Plan:** Complete a Vulnerability Management Program (VMP) definition, and conduct scans at least quarterly. Ensure that vulnerabilities are ticketed and addressed. In the risk register created by the VMP, rank corrective actions that were identified through risk responses by attributes: cost, risk. Use the risk governance organization to adjudicate the organization's level of risk, and to approve risks that are accepted.

These tasks have some components that overlap and can be completely or partially resolved through the deployment of vulnerability scanning software.

Unknown vulnerabilities are one of the easiest ways for malicious actors to compromise a system. Vulnerabilities often occur, due to bugs in software or firmware, that allow the malicious actor to make changes or perform operations they normally should not be able to. Also, a misconfiguration can result in a vulnerability.

Vulnerability scanning checks systems for these types of attack vectors so they can be fixed through a software update, configuration change, or mitigation. The Tenable.OT Vulnerability Management software will allow the District to frequently scan its business network as well as the SCADA network for vulnerabilities. With the results of the scans, we will be able to resolve or mitigate numerous previously unknown risks.

Staff evaluated the Tenable.OT Vulnerability Management and Scanning product recommended in the RRA report, which included a product overview and live demos. Additionally, other Washington State government agencies that use Tenable products were contacted and gave very positive feedback. Tenable.OT software and hardware are available through the Washington NASPO ValuePoint Master Contract and product training is on the KCDA Master Contract.

The cost to implement Tenable.OT is \$30,670, which includes support and maintenance for one year, four days of training, and a hardware appliance to connect to the District's system. The Tenable.OT hardware appliance will perform regular vulnerability scans and

compile the data for easy viewing. Because this is a subscription-based product, the annual software maintenance and support in subsequent years is estimated to be \$21,606.

The Commissioners inquired about the cost of this product and what alternatives were reviewed. Mr. Busch detailed the licensing costs and provided an overview of the other software products which were evaluated. Mr. Busch noted that the Tenable.OT product is in use by other local agencies, Mr. Busch contacted those users who provided positive reviews.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the purchase of Tenable.OT software from CDWG at a cost of \$30,670 and annual software maintenance and support in subsequent years, estimated to be \$21,606.

6. INTERAGENCY REPORTS:

a.) Staff Report – EWUC Meeting

Mr. Brees provided a summary to the Board of Commissioners on a Staff report regarding the EWUC meeting.

District Engineer Scott Smith attended the Everett Water Utility Committee (EWUC) Meeting, held on April 15, 2021. This meeting was held virtually, due to COVID-19. There was no Wholesale Sewer Customer Meeting following the EWUC Meeting, due to several agency staff members attending the WASWD Virtual Spring Conference.

The EWUC Meeting topics included: updates from the Department of Health, status of the Water Conservation Program, an overview of the Water Supply Situation, updates on Everett Capital Improvement Projects, and an open discussion on the COVID-19 Emergency.

There were no Department of Health (DOH) staff in attendance at the EWUC Meeting or immediate topics to discuss. A discussion on impacts from the proposed new EPA Lead and Copper Rule may be held at future meetings.

Ms. Apryl Hynes, City of Everett, provided a report on the Regional Water Conservation Program, including changes to the program resulting from COVID-19. Distribution of water conservation kits and classroom visits are expectedly lower than normal for 2020 and early 2021. The inventory supply of kits and distribution methods will be evaluated as part of any agency reopening plans.

Ms. Jennifer Bailey, City of Everett, provided a report on the water supply. The reservoirs are lower than normal for this time of year in preparation for expected runoff from the above average snowpack (163%) in the watershed. The Water Situation Fact Sheet and a Water Storage Elevation Graph showing storage levels in the reservoir were provided for review.

Mr. John Nottingham and Mr. Grant Moen provided updates on several CIP projects, including transmission pipeline modifications, rehabilitation to Everett's Reservoir No. 2, emergency generator replacements at the Water Filtration Plant, and replacement of the East Clearwell roof. The transmission line work has been delayed until after Labor Day, to

avoid impacts during peak demand time during the summer, and several of the capital projects are wrapping up in the final punch list stage.

Several agencies provided updates on how they have adapted their operations because of the COVID-19 emergency. In general, agencies are maintaining their status quo, but starting to evaluate how and when to reopen to the public. This includes front counter, permitting, billing, customer service, as well as public meetings by the elected officials.

b.) Staff Report – Update on CWSA Meeting

Mr. Brees provided an update to the Board of Commissioners regarding the CWSA meeting held on Wednesday, April 21. Mr. Brees noted that the recent CWSA meetings have been very brief, reviewing Financial and Operational reports. In this past meeting, the Financial Statements for the CWSA were presented. Mr. Brees noted that the statement is very similar year-to-year as each month the agency is reimbursed by the three members for all expenses incurred in the prior month.

7.) STAFF REPORTS:

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson reported that the Finance Department has been shorthanded this past week and is working hard to stay caught up.

c.) O&M Manager:

No further report.

d.) Technical Services Manager:

No further report.

e.) Attorney:

Mr. Linton reported that since the State Legislature expanded the Governors powers at the start of the Legislative session with respect to emergency proclamations, the proclamations are staying in place without modification for longer periods of time.

f.) General Manager:

Mr. Brees reviewed the Consumer Confidence Report that has been recently completed by District staff and showed the Commissioners where the document is located on the District's Website.

Mr. Brees reported that the RFP to select new water meters and a new meter reading system has been drafted and will be published next week. Mr. Brees reviewed a preliminary timeline for the RFP and when it may come before the Board of Commissioners.

Mr. Brees reported that WCIA will be meeting with District staff next week to complete an annual audit. Mr. Brees reviewed the services of WCIA that has been utilized over the past year and provided a summary of the 2020 claims administered by WCIA on behalf of the District.

This ends the Minutes of the April 22, 2021 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 April 22, 2021 regular meeting of Commissioners, duly adopted at a meeting of the Board of Commissioners of the District, held at the regular meeting place thereof on May 13, 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 13th day of May 2021.

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



Shauna Willner, Secretary