

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

July 9, 2020

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on July 9, 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, Technical Services Manager James Busch, Finance Manager Brad Nelson; 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 meeting of June 25, 2020 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

Mr. Brees provided a letter dated July 2, 2020 from Master Builders Association (MBA) regarding various billing issues. Some of their concerns are:

- **Review Fees** – Being billed for answering questions, especially related to routine issues such as insurance, or simple code clarification questions, and such administrative items.
- **Insurance Requirements** – Required to take out costly umbrella insurance policies that are duplicative of insurance already provided by contractors.
- **Side Sewer Connections** – On multifamily (MF) construction sites it is important to be able to make the physical connection and then plug the connection so that the surface improvements can be completed. That allows the project to move forward but not required to pay the base fees for usage while the sewer connection is not being used for several months while construction is being completed. They requested the payment of the base fees be tied to removal of the plug and Certificate of Occupancy (at occupancy is when the sewer stub will begin to be used).
- **Base Fees** – It appears that multiple base fees are being charged on a MF building containing many units and where there is only one sewer connection and one water connection. Many local utility districts (Bothell, Everett, Northshore) charge just one base fee per building for sewer and a base fee per building for water.

In the letter, MBA stated they understand the District's need to cover its costs, but at the same time they hope there can be some flexibility moving forward on some of these issues. They believe charging for a simple conversation is counterproductive, in that it will lead to mistakes being made out of fear of having to pay additional charges, simply for asking reasonable questions.

Commissioner Warner remarked that based on his personal professional experience, the solutions proposed by the Developer to delay billing (to plug a sewer or track occupancy) is both difficult to administer and track by the District. Commissioner Backstrom commented that it is never an apples-to-apples comparison between agencies with respect to their respective fees and policies, as each has unique factors that drive the costs. Based upon the Commissioner's experience in the industry, the District in many cases has lower fees and policies that are very fair to the development community.

Mr. Brees and Mr. Smith reported to the Board that they were familiar with all of the items included in the letter as they and other District staff have fielded many calls and emails from the Developer of a project nearing completion within the District. Mr. Brees has responded in writing to the representative of the MBA providing a response to each of the items, and has invited further discussion and offered to answer any further questions.

4.) FINANCIAL MATTERS:

a.) Payroll, Vouchers, and Check(s) Approval

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

Fund	Code	Number	Amount
Water Maintenance	743 5408666	.07-001-.07-041	\$241,546.69
Sewer Maintenance	743 5418666	.07-001-.07-012	27,418.49
Sewer Capital Improve.	743 5448666	.07-001-.07-003	171,430.44
Water Capital Improve.	743 5468666	.07-001-.07-001	6,316.28
Revolving Check Fund		7166 - 7187	181,727.47
Total Warrants			\$628,439.37

b.) Staff Update – Agreement with Invoice Cloud for E-Bill Presentment and Payment Processing

Mr. Nelson provided an update regarding an Agreement with Invoice Cloud for E-Bill Presentment and Payment Processing, addressing the final terms negotiated and the preliminary schedule for implementation. The goal is that this new payment portal would be fully integrated (go live) to customers by October.

5.) DEVELOPER PROJECTS

a.) Staff Report – Rod Koon Sewer Connection (Cross Valley Service Area)

Mr. Smith presented a Staff report, Vicinity Map, and Preliminary Plan Sheet to the Board of Commissioners regarding the proposed Developer Extension Agreement for Rod Koon SFR, located at 12320-58th Drive SE. The Developer is Rod Koon.

The proposed project is for a single family residential (SFR) structure and a separate Accessory Dwelling Unit (ADU) on a vacant parcel, immediately adjacent to the Creekside Sewer Lift Station. Development on most of the parcel is limited, due to an onsite wetland on the west side.

Water service will be provided by Cross Valley Water District, but sewer will be provided by Silver Lake, in accordance with the terms of the approved Interlocal Agreement.

Consequently, there are three Silver Lake sewer latecomer fees associated with this property totaling \$1,966.38 per connection.

The developer is proposing to install a short sewer main extension and manhole with two laterals from the manhole to the new structures. An easement is also proposed along the eastern property boundary, for a potential future sewer connection to the north. This easement may potentially allow for a gravity sewer line, bypassing the Creekside Lift Station.

Staff recommended that the Board of Commissioners approve the Developer Extension Agreement Application for the Rod Koon SFR project.

Following discussion, by motion made, seconded, and carried unanimously, the Board approved and executed the Developer Extension Agreement for the Rod Koon SFR project.

b.) Staff Report – Oakwood Court Developer Participation Agreement

Mr. Smith provided a verbal summary to the Board of Commissioners on a Staff report, Vicinity Map, and Participation Agreement with Exhibits, regarding the Oakwood Court Developer Participation Agreement.

On March 26, 2020, the Board approved the Developer Extension Agreement for the 11 lot Oakwood Court project located at 12703 Seattle Hill Road. As part of the project, the developer is required to install approximately 475 feet of new 8-inch pipe on the site, along with another 165 feet of offsite water main to loop the new system for fire flow. The developer had four options to meet fire flow requirements: three different offsite looping connections, or replace approximately 300 feet of existing 6-inch water main in 126th Street SE, which would just extend an existing dead end.

The District is proposing to participate with the developer in the cost of the offsite water main, since the preferred option will eliminate a long dead-end water main on 126th and 127th Street SE, and therefore improve water quality. These dead-end sections of pipe are an identified system deficiency in the Districts adopted Water Comprehensive Plan (Project D-9).

Staff recommended that the District execute a Participation Agreement with the developer, where the District will pay the developer to have their contractor perform the offsite water main installation work at the same time as their DE project work. Essentially, the developer is completing a capital improvement project for the District, which is both cost efficient and minimizes disruptions to the neighborhood.

The estimated cost of the water main replacement work from the developer's contractor bid in Exhibit "C" is approximately \$102,000, and also includes contingency and the cost of the offsite easement. Approximately half of the cost is for the directional drilling installation in the easement between two lots to minimize impacts to the existing houses.

Ultimately, the District will only pay for items used and warranted on the project, and the developer will be required to provide backup documentation prior to any payment.

Staff recommended that the Board authorize the General Manager to execute the proposed Developer Participation Agreement for water main replacement on the Oakwood Court development.

Following discussion, by motion made, seconded, and carried unanimously, the Board authorized the General Manager to execute the proposed Developer Participation Agreement for water main replacement on the Oakwood Court development.

c.) **Staff Report – Second Quarter Bills of Sale**

Mr. Smith provided a verbal report to the Board of Commissioners regarding accepted Second Quarter Bills of Sale for Developer Extensions, representing \$190,333.89 of utility infrastructure added to the District by Developer contribution, for their review. Following discussion, the Board of Commissioners acknowledged acceptance of the Bills of Sale for:

PROJECT NAME	WATER	SEWER
Ramalah Short Plat		37,536.00
Hamptons at Mill Creek	103,490.61	32,195.28
Wright Short Plat		17,112.00
Total Value	\$103,490.61	\$86,843.28

The total 2020 Developer Contributed Value for water and sewer facilities to date is \$472,423.10.

6.) **CAPITAL IMPROVEMENT PROJECTS**

a.) **Staff Report – Waldenwood Lift Station Replacement & Pay Estimate No. 10**

Mr. Smith provided a Staff report and Pay Estimate No. 10 regarding the Waldenwood Lift Station Replacement Project.

District and Gray & Osborne staff performed a preliminary punch list inspection of the building's CMU walls on June 25, 2020. While there are some cosmetic imperfections in the block work, all interior surfaces will either be coated with paint or covered with soundboard. Large interior items, such as the generator and pumps, have been placed inside the building, and roof trusses are being installed. Work on the piping and electrical systems is ongoing.

Staff requested the Board of Commissioners approve Monthly Progress Estimate No. 10 for work completed in June, in the amount of \$154,589.61. Work on this pay estimate consists of erosion control and dewatering, several change order items that were approved by the Board on June 25, 2020, another 20% of the traffic control bid item, and 3.31% of the lift station replacement lump sum item.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Monthly Progress Estimate No. 10 for work completed in June, in the amount of \$154,589.61.

7.) MAINTENANCE & OPERATIONS:

a.) Staff Report – Drug and Alcohol Policy Update (Discussion Only)

Mr. Brees provided a Staff report, a Sample Non-Federal Drug & Alcohol Policy for all Non-CDL Employees, a Sample Drug & Alcohol Policy for DOT Regulated Employees, and a Sample Last Chance Agreement to the Board of Commissioners for discussion regarding a Drug and Alcohol Policy Update.

Effective January 6, 2020, a new federal rule pertaining to Federal Motor Carrier Safety Administration (FMCSA) Regulated Employers took effect. The new rule required the District to report any violations of the drug and alcohol regulations of Commercial Driver License (CDL) holders to a federal database, additionally on an annual basis for CDL holders and for all new employees that will be required to hold a CDL. The District must check the database to ensure the Drivers do not have violations in other states. The District implemented compliance by having all CDL holders sign an acknowledgement and by membership/participation in the Drug and Alcohol Consortium of the Association of Washington Cities (AWC). The District joined this group back in 1995 for administration of the compliance for drug and alcohol testing of commercial drivers.

In reviewing the requirements of this new rule, the District's Drug and Alcohol Policy was dusted off; it has not been updated since adoption in 1995 by Resolution No. 459. The District's formal policies pertaining to drug and alcohol use are limited to the employees that hold, or will be required as a condition of employment, to obtain a CDL. The current policy is silent to all other employees and does not contain provisions for reasonable suspicion testing.

AWC provides as a service, sample policies with specific options that a member agency may use for both CDL employees and for all other employees not required to hold a CDL.

Staff requested the Board of Commissioners review the staff recommended sample policies from AWC, for adoption at a later date.

The Board of Commissioners concurred with the staff recommended policy updates, and directed the General Manager to finalize the draft policies for adoption at a future meeting.

8.) INTERAGENCY REPORTS

a.) Update on Extension to Proclamations by the Governor

Mr. Brees provided updates to the Board of Commissioners regarding Extension to Proclamations by the Governor; 20-28.6, Open Public Meetings act and Public Records Act; 20-23.6, Ratepayer Assistance and Preservation of Essential Service, and he also provided a COVID-19 Utility Customer Support Program Guidance document for their review.

9.) STAFF REPORTS:

a.) District Engineer:

Mr. Smith reported that interviews for the Senior Construction Inspector position are scheduled for next week. The initial interviews will be conducted via video conference.

b.) Finance Manager:

Mr. Nelson reviewed the status of customer account delinquencies. In prior reports, Mr. Nelson has detailed the total amounts delinquent and the age of the delinquent balance. For a more detailed review, Mr. Nelson reviewed the number of accounts and account types that are currently delinquent. Overall, while significantly higher than normal, the number of accounts delinquent has stabilized. Currently, there are approximately 900 accounts delinquent which equates to about five percent of the total accounts. Of the 900 accounts delinquent, approximately 200 accounts are delinquent more than one payment.

c.) Technical Services Manager:

No further reports.

d.) Attorney:

No further reports.

e.) General Manager:

Mr. Brees reported that the interviews for the new Building and Grounds Service Worker position were this week and that a finalist has been selected.

This ends the Minutes of the July 9, 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 July 9, 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 23, 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 23rd day of July, 2020.

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



Shauna Willner
Shauna Willner, Secretary