

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

October 22, 2020

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on October 22, 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, Finance Manager Brad Nelson, O&M Manager Ron Berger, and 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 October 8, 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 (Check No. 15785 – 15856) in the amount of \$ 1,197,973.89; Revolving Fund Checks (Check No. 7376 – 7391) in the amount of \$19,462.74, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$349,217.86
Water Capital Improvement	4,226.07
Sewer Maintenance	829,537.37
Sewer Capital Improvement	14,992.59
Revolving Check Fund	19,462.74
Total	\$1,217,436.63

b.) Staff Report – 3rd Quarter Financial Report

Mr. Nelson provided a verbal summary to the Board of Commissioners on a Staff report regarding 3rd Quarter Financial Reports.

The Board of Commissioners were provided a Quarterly Financial Report that outlines the District’s financial information for the quarter and the year to date. The financial

information contained within the report are considered pre-closing reports, which means the financial information does not include accrued information for revenues and expenses.

The District's Third Quarter Pre-Closing Total Revenues from all sources are \$18,437,050. This is a decrease of \$353,305, compared to the Third Quarter of 2019. The main reason for the lower revenues is a reduction of \$534,543 in interest income as the low interest rates continue to depress yields. The yield on the Washington State Treasurer's LGIP (Fund where the District's investments are held) fell from 2.49% (Jan. 2019) to .21% (Sept. 2020). While New Connection Fees increased to \$659,882, mainly due to new Alderwood Sewer connection in the Interlocal area of 132nd Street, Bills of Sale revenues decreased to \$708,728, for a net reduction of New Connection Fees in the amount of \$48,846. Deferral of Service Disconnection Fees has reduced Misc. Service Fee revenues by \$39,081. Finally, while Water and Sewer Charges for Services show an increase of \$237,871, this amount is less than expected due to the reduction in water and sewer sales, especially by commercial customers, and the deferral of the 2020 Pass-through Rate increase. A Table was provided that outlined Total Revenues by Source between 2019 and 2020.

Tables were provided that outlined the District's historic Bills of Sale and New Connection Fee revenues from 2014 to 2020. While both Bills of Sale and New Connection Fees are District revenues, Bills of Sale are donated infrastructure while New Connection Fees are cash-based payments.

The District received \$31,157 less in total Water Service revenues, with customer water consumption (measured in units) decreasing 2.7% from 2019. Two Tables were provided to the Board that showed customer water consumption in units over time.

The District's total expenses were \$15,980,421 through September 30, 2020. This was an increase of \$1,953,909 from September 2019's \$14,026,512. The largest operating costs are purchased water and sewer treatment services. The District deferred the 2020 Pass-through Rate Increase due to the COVID-19 Emergency, Stay at home order, and suspension of the Open Public Meetings Act. Expenses have also increased above forecast levels with the hiring of two new positions, one unemployment claim, and increased professional services for Engineering Services. Also effecting expenses is the District's change in accounting policy to expense water meters rather than capitalizing these purchases.

The District's Net Income through September 30, 2020 is \$2,456,629, which is a decrease of \$2,307,214, compared to September 2019. The reason for the change in Net Income is both the decrease in revenues coupled with increased expenses.

The District's cash and investments totaled \$44,813,601, which was a decrease of \$687,268 from September 30, 2019 and a decrease of \$805,643 since the start of the year.

Included with the Financial Statements were the Capital Project Summary Reports for the District's various major Capital projects:

- **131st Street Water Main** – The water main work is physically complete. Staff is also recommending using the project’s contingency for pavement restoration, which was not included in the projects scope but is being required by Snohomish County. Perteet Engineering is working on the design and bid documents for the asphalt overlay.
- **Windsong Lift Station** - The Board approved this project for \$613,648, and design is ongoing.
- **Waldenwood Lift Station** - The Board accepted the bid from McClure and Sons for \$4,160,436.26, with a total project budget of \$5,048,365. Work continues on the project. The Board of Commissioners approved Change Order No. 1 on April 9, 2020, which is reflected in the financial information.

A listing of the District’s past due accounts separated into two groups was provided to the Board: Past due customers three or more billing periods behind; and past due customers with some form of arrangement. Account data was prepared as of October 16, 2020. Governor Inslee has extended his order to defer shut-off and the collection of late penalties until December 31, 2020.

Surprisingly, the District’s past due accounts, both in numbers and dollar amounts, are not significantly higher than normal. Staff believes the District’s practices to continue communications and the special collection letter sent out in August to property owners and tenants, have significantly reduced the past due balances.

Currently, the District has 181 customers past due three or more bill periods, for a total of \$82,867.40. A Table was provided that outlined the past due accounts, shown by customer type. In addition, the District has another 49 customers that have special collection issues; such as bankruptcy, already have liens filed, have long-term payment arrangements, or are off by their request. Staff noted that most customers on back-billed or water leak arrangements are paying some portion of their charges, which is a good sign.

Two Tables provided outlined the District’s Accounts Receivable balances as of October 16, 2020. Most interesting, most District customers are either paying their charges before the due date, which would have been October 15, 2020, or paying two bill periods at the same time. Overall, the District’s net changes in A/R balances as of October 16, 2020, was \$1,636,512.82, which represents mostly payments, a few final bills, and adjustments. The District’s largest payment/final bill processing date was October 15, 2020 for \$784,859.79.

The Board reviewed and discussed the District’s Third Quarter Financial Report.

c.) Staff Report – 2021 Salary and Benefit Forecast

Mr. Nelson provided a Staff report to the Board regarding the 2021 Salary and Benefit Forecast.

The District's third largest expense, behind treatment/water wholesale costs and capital improvements, are salaries, wages, and benefits. The 2021 Salary and Wage Forecast communicates the expected changes to the District's labor costs, due to changes with inflation (CPI-W), employee insurance rates, taxes, employment laws, and the District's labor force. Currently, the District has 32 full-time equivalent employees, a part-time Utility Clerk, a part-time Electrician, and up to five Seasonal Worker positions, four of which were filled in 2020.

In addition to wages, District full-time employees and regular part-time employees that work 30 hours or more per week, are provided a fixed monthly stipend to purchase medical, dental, and vision insurance coverage for the employee and eligible dependents. Employees can then transfer up to 75% of any remaining stipend amount to a Health Reimbursement Arrangement (HRA or MVEBA). The current stipend amount is \$2,215 per month.

The District is also required to pay for other payroll taxes such as FICA, Medicare, Industrial Insurance (L&I), and contributes to the Washington Public Employees Retirement System (PERS). The rates for these programs are determined by either the Federal Government or the State of Washington.

The basic premise of the 2021 Salary and Wage Forecast is to answer the following questions: What are the expected 2020 Labor Costs for the District's current employees; what are the costs for any structural changes to the labor force in terms of new hires, staff reductions, or promotions; and what are any potential issues that may affect the District's future labor costs?

Unique to 2020 was the mid-year hiring of two new full-time positions, the Building Maintenance Worker and the Senior Construction Inspector. It is important to note, that both these positions have either expense offsets, such as the reduction of the contractual building maintenance that was previously provided by an outside vendor, or increased revenues as the District bills inspection time for the Senior Construction Inspector that is retained rather than paid to a consultant.

The Board of Commissioners will review individual employee performance adjustments recommended by the General Manager later in November, with an update in December related to the annual cost of living adjustment (COLA). The General Manager recommended reclassifying two staff classifications. The first is reclassifying the Executive Assistant to Administrative Services Manager. The second is reclassifying the three Utility Leads (Utility Systems, Operations, Maintenance) to Utility Supervisors. The cost estimate of these reclassified positions is based on a 5% adjustment to the employee's existing salary. The General Manager will provide a draft job description and recommended salary, based on a comparison to peer agencies for each position in December when the Board is presented the 2021 Salary and Wage resolution. In addition, the District never hired the part-time IT Project Manager position and recommended retaining this position with an updated title of IT Applications Developer Integrator. Finally, to address the small increase in health insurance costs, staff recommended a minor increase to the District's monthly benefit stipend currently at \$2,215 per month.

Annually, the Board of Commissioners reviews the October to October CPI-W as an inflation index adjustment to wages. The current staff estimate for 2020 October to October CPI-W for the Seattle-Tacoma area is 2.839%. The total forecasted salary and benefit costs of a 2.839 % COLA is \$102,018. The actual October to October CPI-W will be released later in November. Staff will provide the final October to October CPI-W in December. In addition, the General Manager's November discussion regarding employee performance increases will include estimated costs in 2020 of \$125,428, this is based upon an average merit increase of 3.5%.

The District's overtime usage can be a difficult labor cost to estimate, since it is highly dependent on unanticipated after-hour emergencies, the specific employee assigned to the event, and whether the event happens on a weekday (1.5*rate), weekend, or holiday (2.0*rate). Most of the District's overtime usage is related to field and maintenance needs, though about 40-50 hours annually are dedicated to office staff for shut-off day or travel for training events. There are no significant changes to overtime costs projected for 2021.

In addition to overtime costs, District Field staff are required to perform Stand-by Duty. This provides the District with a 24-hour, 7-days a week response to customers, the SCADA System, and other field maintenance needs. In 2013, the District started assigning a second employee to Standby Duty for holiday weekends. Staff is requested a small change to this practice to provide the General Manager with the authority to add a second Stand-by Duty person when a single holiday day falls midweek or when conditions warrant, such as a weather alert. Staff anticipates the total cost of this change, based on three weather days and two mid-week holiday days, to be \$370.00.

The District started 2020 with one part-time Utility Clerk at the front counter, a part-time Project Electrician, and five seasonal workers, with the authority to hire an additional part-time IT Project Manager. The part-time seasonal workers are paid at an hourly rate, ranging from \$14.25 to \$22.55. The other part-time workers are paid a higher hourly rate, based on their job classification. Staff recommended changing the part-time IT Project Manager to a part-time IT Applications Developer Integrator to further develop the District's Lucity programs and data management. While staff is continuing to work on a job description to determine the salary range, we believe our previous estimate should be sufficient to attract quality candidates.

The District pays FICA, Medicare, and Workers Compensation for part-time or seasonal employees. The District pays for PERS for the Part-time Utility Clerk and would for an IT Applications Developer Integrator. The three regular part-time positions would also be eligible for the 457k Match at a \$125.00 per month maximum. A Table was provided that outlines the estimated costs for the District's seasonal and part-time labor resources.

The District is served by a three-person elected Board of Commissioners. Commissioners are compensated at a per-meeting-rate of \$128.00. This rate is established by RCW 57.12.010. The meeting rate is adjusted every five years by the State of Washington's Office of Financial Management based on CPI, with the last adjustment in 2018. RCW 57.08.100 authorizes Districts to provide Commissioners with the same health, group, or

life insurance coverages, as their employees. The District is required to pay Federal FICA and FICA Medicare for Commissioners, and elects to cover the Commissioners for Washington State L&I. The total Commissioner compensation for 2021 is estimated to be \$78,557. This estimate includes ten extra meetings per year and the proposed \$25.00 a month increase to the monthly medical/dental/vision/HRA stipend

The District provides regular full-time staff a \$250.00 per month 457K matched contribution and \$125.00 per month for regular part-time employees. Currently, there are 31 regular full-time and 2 part-time employees taking part in the program. For 2021, we are forecasting all eligible employees will take part in the program for an annual cost of \$99,600.

The District provides full-time regular employees with a monthly pre-tax benefit of \$2,215 to purchase medical, dental, vision, and MVEBA benefits. This amount was increased from \$2,060 in 2014. The employee's MVEBA account can then be used to pay for medical costs, including deductibles, COBRA Health Insurance costs, prescription drugs, medical equipment, or other non-covered medical expenses. Once an employee has selected their medical, dental, and vision coverage, the employee can then transfer 75% of any remaining funds to their MVEBA Account. In March 2012, the District lowered the transfer amount from 100% to 75% of remaining funds to contain costs.

Staff recommended retaining PEBB for medical and vision benefits, and MetLife for dental, long-term disability, and life insurances. District employees will start open enrollment in November 2020. The 2021 PEBB rates had a small increase and the District's MVEBA stipend will not fully cover the increase for family coverage. Staff is recommending a \$25.00 per month increase to the Stipend, bring the amount to \$2,240 per month. The net increase to the District's costs for medical, dental, vision, and MVEBA is \$7,200.

Since the District pays January 2021 medical and dental insurance premiums with the December payroll process, staff recommended the District's Board adopt the HRAVEBA increase in November, effective for the December payroll. This would increase 2020 benefit costs just under \$650.00 for the December payroll.

The District is required to participate in Washington State's Public Employee Retirement Systems (PERS) for all PERS covered positions. Both the employer and the employee contribute to PERS based on a percentage of gross monthly salary. PERS I and II are defined benefit programs and PERS III is a defined contribution program. In July 2020, the State increased the employer rate from 12.86% to 12.97%. The employee rate did not change. This rate change was unexpected and cost the District an estimated \$3,263 annually. The Washington State Department of Retirement adopted a 2021 rate decrease in the employer's PERS II and PERS III contribution rates from 12.97% to 10.25% starting July 2021. The annualized savings to the District, if this change is made, would be \$43,204 under current assumptions. In addition, employee contribution rates are expected to decrease from 7.90% to 6.36%.

The District is required to participate in Washington State's Worker's Compensation (L&I) for all employees. The District pays the L&I premiums based on a fixed cost per hours worked. L&I provides employees with benefit coverage when they are injured on the job. The Department of Labor has not announced plans to change rates in 2021. However, due to the COVID-19 Pandemic and the State's brewing budget crisis, staff would not be surprised to see a mid-year increase.

The District is required to participate in the Federal FICA and Medicare Programs. Both the employer and the employee contribute to FICA, and Medicare is based on the employee's gross salary. The 2021 Salary and Wage Forecast does not provide an increase in either FICA or Medicare; however, as stated before, staff anticipates the cost of Health Care Reform to impact the District's future Financial Statements.

The State of Washington's new Paid Leave Program started having employee premiums paid in 2019. The employee rate is .3590%. Since the District has less than 50 employees, there is not an employer portion. The District amended its paid time off rules to address recent rule adoptions by the Department of Labor.

The Federal government authorized the Family Cares Act to address emergency sick and family leave. While private sector employees are allowed to credit their costs to their Federal tax obligation, public employers were not included. Paid time off benefits end, effective December 31, 2020; however, a new Congress could extend the Act or extend the Act to public agencies. As of September 30, 2020, the District has six employees using E-FMLA to cover childcare under the Act, for a total of 504 hours. Thankfully, no District Commissioners or employees have been required to use E-sick leave due to COVID-19. The total cost of the E-FMLA through September 30, 2020 was \$12,060. No estimate is included for the program to be continued into 2021.

In addition to the Federal Family Cares Act, the District has allowed employees to go up to 80 hours negative in their sick leave bank. Currently there are three employees utilizing this program for a total of 138.75 hours of sick leave. Once the crisis is over, these employees' sick leave accrual would pay the time back.

Based on the following assumptions, staff anticipates the District's total labor costs to be \$3,479,033 in salaries and \$1,630,317 in benefits. This is an increase of \$342,647 from 2020 to 2021. The largest single labor group is the regular full-time employees, at a forecasted 2020 cost of \$3,190,728 in regular salary and \$1,517,894 in benefits. A Table was provided that outlined the 2021 Total Salary and Benefit Costs, 2021 Detailed Forecasted Salaries and Benefits, the District's current Organizational Chart, and the historical and forecasted CPI-W.

d.) Staff Report – 2021 Equipment Replacement, Operating Capital, and IT Equipment

Mr. Nelson provided a verbal summary to the Board of Commissioners on the 2021 Equipment Replacement, Operating Capital, and IT Equipment report.

In 2007, the District's Commissioners approved Resolution No. 623, which adopted an Equipment Replacement Schedule for the District. This schedule authorized an Equipment Replacement Schedule of \$1,878,150 over the next twenty years. Since its approval, the District has purchased replacement vehicles and developed new assumptions for the District's vehicles and equipment and with updated replacement costs.

Staff reviews the assumptions annually and prepares a report to the Board of Commissioners for their review, as part of the financial planning process. Starting in 2018, staff began including technology replacements into the report. However, unlike vehicles and field equipment, technology products have a much shorter life and licensing and/or maintenance agreements are included as part of the costs.

For this report, the term "*new*" means vehicles and equipment that have not previously been approved by the Board of Commissioners and will be added to the Equipment Replacement Schedule. The term "*replacement*" means vehicles and equipment that have been previously approved by the Board and are being replaced by purchasing new vehicles or equipment. The term "*surplus*" means the vehicle will be sold, which typically is after the replacement vehicle is received by the District. The term "*retained*" means the existing vehicle that will be replaced by a new vehicle but not sold for an extended period of time. Retained vehicles continue to incur maintenance and operation expenses, but can be a lower cost method to address short term vehicle needs like the District is experiencing during COVID-19. To clearly identify retained vehicles and the reason and expected surplus date, staff updated, and provided a copy of, an Equipment Replacement Schedule, and highlighted the specific retained vehicles at the bottom of the Vehicle list, with the reason for the retention and the expected surplus/sale date.

For 2021, staff recommendations would result in a net change in future replacement costs from \$3,317,500 to \$3,495,000, or \$177,500 over the next twenty years. A Table outlined the District's historic and current replacement costs by year and staff's recommended changes for 2021.

The COVID-19 Pandemic required a few mid-year adjustments to the District's Equipment and Vehicle fleet; including, the purchase of new vehicles and equipment. To assist with the tracking of this information between reports, staff provided a new section of the change in Equipment Replacement Assumptions between 2020 and 2021, labelled Mid-Year Report Changes 2020.

For 2021, staff recommended \$98,500 in new equipment purchases. Staff recommended the purchase of a second truck mounted light board for traffic control for \$11,500. This unit would be installed on the Sewer Vactor Chase Truck and would provide easier traffic control when the Vactor crew is operating in the street. Staff also recommended the purchase of a Scissor Lift for \$22,000, rather than renting one. Since 2018, the District has paid \$5,576.68 to rent a Scissor Lift to work in and around the building. Having a unit on site would provide staff with the ability to perform interior maintenance more often and easier. It is important to note that the District will still be required to rent bigger lift units for work outside the building and at the reservoir sites. Finally, staff recommended

purchasing a Directional Drilling Unit for \$65,000. This unit would be in addition to the existing “Pneumatic Hole Hog” unit purchased in 2013. The Directional Drilling Unit drills by hydraulic action and provides better control of the drilling unit with a locator and better control when crossing other underground utility trenches. A good example of the improved drilling capability would be the service trenching at 1314 126th Street SE. The Pneumatic Hole Hog took two days to dig, due to the hard pan soil, rather than one day with the Directional Drilling Unit. In addition, staff had to cut into the asphalt at one point to determine the obstruction that was stopping the Hole Hog.

For 2021, staff recommended purchasing \$273,500 in new and replacement vehicles and equipment as outlined in the Table that was provided. Included with these recommendations is replacing #59 – 2014 Ford Escape with a like unit (Rav4 hybrid or other smaller Truck/SUV) in 2021 rather than 2022. The recommendation also includes delaying the replacement of #44 – 2009 F-350 RC Covered Utility and #45 – 2009 F-550 RC Utility 4*4 from 2021 to 2022 because both units are still working well.

Staff included a 2021 IT Equipment Replacement list for both equipment and Licensing Agreements. For 2020, staff recommended the replacement of \$91,500 and purchasing \$8,000 of new technology equipment. Of these, the six network switches were scheduled to be replaced in 2020; however, the District’s response to COVID-19 required the District’s IT Department to re-prioritize this project to 2021. Staff also recommended replacement of two of the District’s three main copiers for \$25,000. The three main copiers were purchased in 2012 for \$34,558.20 and are having reliability problems. In addition, their maintenance/copy costs are increasing due to their age. Currently, there is one main copier in the copy room; one in the crew area, and staff moved the backup copier to the office at the old headquarter site.

Staff also recommended the purchase of an Electronic Documents Management System for \$80,000. This system would convert existing District documents into an electronic format for lower retention costs while providing a better retrieval method. In addition to the lower retention costs, the system would free up space in the records vault which would save the District costs on either building more record storage space or off-site retention. It is also anticipated that a Document Management System will aid District staff in responding to complex Public Record Requests.

The Board of Commissioners discussed the 2021 Equipment and Technology Replacement and Assumptions and directed staff on 2021 purchases and changes to the assumptions.

e.) Staff Report – 2020 General Facility Study Update

Mr. Nelson provided a Staff report regarding the 2020 General Facility Study update.

The District has contracted with Katy Isaksen and Associates to conduct a 2020 Utility Rate Study and General Facility Charge (GFC) study. The last Utility Rate and General Facility Studies were completed in 2011, after the adoption of the 2010 Water and Sewer Comprehensive Plans.

On May 28, 2020, staff provided the Board of Commissioners with a draft report with recommended adjustments to the GFCs from Ms. Isaksen and discussed deferring the public hearing until the fall, due to the limitations in place at the time by Governor's order related to limiting open public meetings to essential business. Since then the Governor's order has been modified to permit consideration of the matter. Additionally, in the time that has passed since the Board was provided the report, District staff and the consultant prepared a phased-in approach under a two-phase or three-phase implementation.

Originally, staff's plan was to transmit the consultant's report and have a presentation for the Board of Commissioners at this meeting. However, the consultant had an unexpected obligation and could not attend. As such, staff provided the updated 2020 General Facility Fee Study and recommended the presentation be conducted at the first meeting in November, which would include the Board scheduling a public hearing on December 10, 2020.

The Board reviewed the Draft General Facility Fee Implementation Options.

5.) CAPITAL IMPROVEMENT PROJECTS

a.) Staff Report – Lift Station No. 4 Generator – Pre-design Report

Mr. Brees provided a report to the Board regarding the Lift Station No. 4 Generator – Pre-design Report.

On March 12, 2020, the Board approved the proposed work plan for 2020 Capital Improvement Projects. Included in the list of approved Capital Projects and Wastewater Comprehensive Plan, is replacing the generator on Lift Station No. 4 (Project LS 9). On July 23, 2020, the Board approved a consultant contract with BHC Consultants for the Phase 1 Pre-design work on the Lift Station No. 4 Generator Project.

A copy of the final technical memorandum from BHC Consultants regarding the Lift Station No. 4 generator was provided to the Board. The recommendation was to replace the existing generator with a smaller 35kW model with a fuel tank underneath in a new enclosure, along with new motor starters, transfer switches, and control panel upgrades. The estimated cost of just the generator replacement is \$25,000, and the cost of the other upgrade work has not been quantified yet.

Staff anticipates recommending proceeding with the Phase 2 design work with BHC Consultants to prepare plans, specifications, and a cost estimate to bid for a construction project in early 2021. The consultant is currently preparing a proposal for this next phase of work.

6.) INTERAGENCY REPORTS

a.) Staff Report – EWUC and Everett Sewer Meetings

Mr. Brees provided a report to the Board regarding the EWUC and Everett Sewer Meetings.

General Manager Curt Brees attended the Everett Water Utility Committee (EWUC) Meeting and Wholesale Sewer Customer Meetings held on October 15, 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.

Mr. Jim Miller, City of Everett, provided a report on the water supply. The Reservoirs are normal for this time of year. In October there has already been 16" of rainfall in the watershed leading to a rise of more than 10' in the reservoir. For the current year, water production at the filter plant is down 3% from the 5-year average. The Water Situation Fact Sheet and a Water Storage Elevation Graph showing storage levels in the reservoir were provided to the Board.

City of Everett staff provided updates on several CIP projects including: Water Comprehensive Plan update, 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. 2 and No. 3, and Emergency Generator Replacements at the Water Filtration Plant. It was reported that the Comprehensive Plan update is nearly complete and has been sent out for a concurrency review by the agencies that have jurisdiction over the plan. Work is currently underway to replace the East Clearwell roof. Updates and tentative dates (February 2021) for the transmission line relocation were provided (Impact of the Lake Stevens Costco construction). The customers served by this pipeline corridor should always have access to at least one pipeline. This work will not directly impact Pipeline No. 5 which feeds the Clearview Pump Station and the District. Work at Reservoir No. 2 is planned for 2021/2022. 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 throughout 2021. The first generator replacement is now scheduled for the summer of 2021.

Following the EWUC Meeting, the Wholesale Sewer Customers (the District, Alderwood Water & Wastewater District, and Mukilteo Water and Wastewater District) met with City of Everett staff to discuss the status of CIP Projects. The projects currently underway (dike reconstruction and Chlorine Building Replacement) are nearing completion. The Trickling Filter replacements are delayed, due to long lead times for materials. The City is currently forecasting that there will be very little capital spending for the next couple of quarters, until filters arrive.

b.) Update on Proclamation No 20.23

Mr. Brees provided an update on Governor Inslee's Proclamation No. 20.23.

Governor Inslee has re-issued Proclamation 20-23 multiple times, most recently on October 14, 2020, extending the deferral of service disconnections to December 31, 2020.

7.) **STAFF REPORTS:**

a.) **District Engineer:**

No report.

b.) **Finance Manager:**

Mr. Nelson reviewed with the Board of Commissioners, actions that staff is taking to work with customers on delinquencies with respect to the prohibition on service disconnections. Mr. Nelson walked the Board through the District's process of tenant move out/in and how this process is avoiding an uncollectable debt and the transfer of a debt to a new tenant from the previous tenant.

Mr. Nelson provided an update on a back billing related to an unauthorized irrigation service that was discovered last year.

c.) **O & M Manager:**

No further report.

d.) **Technical Services Manager:**

Mr. Busch provided an update on a project to update the A/V equipment in the District's Board of Commissioners Meeting Room. This project will improve the District's ability to hold hybrid meetings where there is both in person and virtual attendance. The vendor is scheduled to begin installing the equipment on October 28th.

e.) **Attorney:**

Mr. Linton provided an update to the Board regarding a recent decision by the Washington State Supreme Court. The decision was favorable to the Olympic View Water and Sewer District and Snohomish County for issues pertaining to boundary review and jurisdiction over service area decisions. The other parties in the case were Ronald Wastewater (City of Shoreline) and King County.

f.) **General Manager:**

Mr. Brees reviewed a benefit charge that is being proposed by South County Fire RFA. The change will impact how revenues are collected and Mr. Brees has reviewed the proposal to ensure that the measure will not impact the District by imposing a new fee. The District's property within the RFA appears to be exempt from the fee according to the published data.

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

This ends the Minutes of the October 22, 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 October 22, 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 November 12, 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 12th day of November 2020.

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



Shauna Willner, Secretary