

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

September 7, 2021

The special meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on September 7, 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, District Engineer Scott Smith, and Finance Manager Brad Nelson. Attending by video conference was O&M Manager Ron Berger; and Eric Delfel with Gray & Osborne, Inc. The public was provided access to participate in person or via teleconference, with the telephone number and access code published on the District’s website and posted at the District Administration Building (regular meeting location).

1.) CALL TO ORDER:

Commissioner Backstrom called the meeting to order at 5:30 p.m.

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of August 26, 2021 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There was no public present for comment.

4.) FINANCIAL MATTERS

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

Following discussion of various matters, including the vouchers paid by the District, to the District, for utility services at District facilities, Vouchers (Check No. 17144 - 17164) in the amount of \$685,353.76; Revolving Fund Checks (Check No. 8036 - 8042) in the amount of \$142,479.95, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$17,200.34
Water Capital Improvement	0.00
Sewer Maintenance	668,153.42
Sewer Capital Improvement	0.00
Revolving Check Fund	142,479.95
Total	\$827,833.71

b.) Staff Report – 2022 Rates for PEBB (Health Insurance)

Mr. Brees provided a Staff report to the Board of Commissioners regarding the 2022 Rates for PEBB (Health Insurance).

In 2017, the District joined the Washington State Health Care Authority (PEBB Program) for employee medical insurance. To date, the District's experience in the program has been very good. Rates have been stable and the coverage and options available to employees have been expanded. Since joining PEBB, the District has purchased Dental, Life, AD&D and LTD Insurance, via the District's broker as the PEBB Program rules would have required full participation of the employee group for Dental insurance coverage.

One additional benefit of the PEBB Program is that the costs for the upcoming year are transparent and known well in advance of the effective date. The District recently received notice for the rates effective January 1, 2022. Options for Dental, Life, AD&D and LTD Insurance will be reviewed separately when they become available. When the costs are known for these other ancillary insurance coverages, the District's stipend for benefits will be reviewed.

In summary, the change in rates ranges between three to four percent based on the individual plan and covered family members. The District's participants can select any of the plans except the high deductible, health saving account plans (CDHP).

5.) DEVELOPMENT PROJECTS

a.) Update on Future DE Agreement(s) for Cathcart Property

Mr. Smith provided an update to the Board of Commissioners regarding Future DE Agreement(s) for the Cathcart Property.

In April of this year, Snohomish County solicited offers for the sale of approximately 145 acres of the Cathcart property located within the District boundaries and the Sector 7 Lift Station special benefit area. Mr. Smith shared aerial photographs and conceptual site plans that have been provided by the prospective purchaser of the site, Pacific Ridge Homes. Mr. Smith reviewed with the Board of Commissioners some of the preliminary discussions that have been held with the Developer and District staff regarding how the District would serve the subject property with water and sewer service.

6.) MAINTENANCE & OPERATIONS REPORTS

a.) Staff Report – Reservoirs 3 & 4 Lot Subdivision

Mr. Smith provided a summary to the Board of Commissioners regarding Reservoirs 3 & 4 Lot Subdivision.

The District's Reservoir No. 3 sits on one parcel located at 2305 100th Street SE in Everett. The northern portion of the lot is not utilized by the District and has no future planned use but could likely be developed into at least two building lots. Before going through the surplus process for the property, a short plat would be required through the City of Everett to subdivide the parcel into two lots.

Reservoir No. 4 is on two lots at 2210 132nd Street SE in Mill Creek. The Board approved an agreement with Mill Creek for the Right of First Offer on the northern lot at Reservoir No. 4 on January 28, 2021. The City has expressed interest in the Reservoir No. 4 lot several times in the past but has never acted.

During the ongoing pandemic, District staff has utilized and upgraded the existing maintenance buildings on the Reservoir No. 4 site and recognized the value of having a second operations base during emergencies. However, the former administration building at the front of the site is in disrepair and will have little to no future use for the District.

A simple Boundary Line Adjustment (BLA) could be done through the City of Mill Creek, to move the existing lot line on Reservoir No. 4 further to the north and encompass the existing maintenance buildings and retain ownership for the District. This would still leave a one-acre parcel that could be offered to the City for sale or auctioned off and used for future private development. The existing utility easements would remain, and an access agreement to the District would be a condition on the northern lot.

If the Board directs staff to subdivide the Reservoir No. 3 parcel and/or proceed with a BLA at Reservoir No. 4, one of the District's new on-call consultants could be utilized for those tasks.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized lot subdivision actions for Reservoir Nos. 3 and 4.

b.) Review Employee Survey Results (Covid-19 Safety)

Mr. Brees provided a summary to the Board of Commissioners on a survey he sent to all staff regarding Covid-19 safety and policy.

Thirty District employees recently completed an online survey regarding the District's current policies, practices, and efforts to provide for social distancing in response to the COVID-19 pandemic. The survey responses provided useful insights in that most employees understand the policies and feel safe at work.

Mr. Brees updated the Board on options available to the District to either require vaccinations or provide additional measures that could be implemented in support of workplace safety and vaccination against Covid-19, which is strongly encouraged for all employees. Some of the measures discussed included: extending emergency leave to fully vaccinated employees or those obtaining vaccinations beyond the current September 30th expiration, prohibiting travel and off-site training for unvaccinated employees, requiring routine testing for unvaccinated employees, changing job assignments to limit exposure of unvaccinated employees with outside parties or the public, and monitoring quarantine and testing requirements as recommended by the CDC following travel.

Following discussion, the Commissioners concurred that at the current time they would prefer not having to mandate vaccinations as a condition of employment and requested that the General Manager further evaluate and recommend other measures in support of workplace safety and vaccination, as applicable for future consideration by the Board of Commissioners.

7.) **STAFF REPORTS:**

a.) **District Engineer:**

Mr. Smith reported that he has recently been in contact with JB Asphalt regarding scheduling of the remaining authorized task orders. JB Asphalt reported that a number of their employees have been with sick with COVID-19 and they are behind with their scheduled work. They were not able to provide firm dates for the work that has been authorized but not yet completed.

b.) **Finance Manager:**

Mr. Nelson requested authorization from the Board to transfer two million in funds from the District's operating account to our investment account with the LGIP. The Commissioner's authorized the transfer as recommended.

Mr. Nelson next reported on recent customer correspondence pertaining to the rate increases implemented earlier this year and high consumption during the summer months.

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

Mr. Berger reported that Jake Ainley has official started his apprenticeship with the District in partnership with Evergreen Rural Water. Initial classroom sessions were held last week concurrently with the Evergreen Rural Water Conference.

d.) **General Manager:**

Mr. Brees provided an update to the Board on his schedule in the office for the next week.

This ends the Minutes of the September 7, 2021 special meeting. The following signature page is a scanned image of the original signature page of the Minutes and certifies these are the approved Minutes by the Secretary of the Board.

Minute Certification

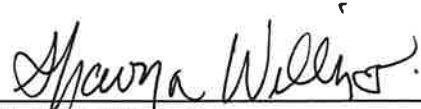
I, the undersigned, Secretary of the Board Commissioners of Silver Lake Water and Sewer District, Snohomish County, Washington (the "District"), hereby certify as follows:

1. The attached copy of the Minutes of the Meeting of Commissioners (the "Minutes") is a full, true and correct copy of the Minutes of the September 7, 2021 special 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 September 23, 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 23rd day of September 2021.

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



Shauna Willner, Secretary