

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

September 12, 2019

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on September 12, 2019, beginning at 5:30 p.m., at the District Administration Building. Attending were Commissioners Rod Keppler, Bill Anderson, and Anne Backstrom. Also present were O&M Manager Ron Berger, District Engineer Scott Smith, and Finance Manager Brad Nelson; Eric Delfel with Gray & Osborne, Inc., and William Linton with Inslee, Best, Doezie, and Ryder P.S., Attorney for the District. One member of the public was also in attendance at the meeting.

1.) CALL TO ORDER:

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

2.) APPROVAL OF MINUTES:

The Minutes of the regular meeting of August 22, 2019 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

No members of the public had comments.

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	.09-001-.09-047	\$286,323.85
Sewer Maintenance	743 5418666	.09-001-.09-010	588,899.18
Sewer Capital Improve.	743 5448666	.09-001-.09-004	261,295.85
Water Capital Improve.	743 5468666	.09-001-.09-003	48,247.89
Revolving Check Fund		6685 - 6723	55,845.30
Total Warrants			\$1,240,612.07

b.) Staff Report – Leak Adjustment Program

Mr. Nelson provided a verbal summary to the Board of Commissioners of a Staff report, Notice of Consumption, Customer Bill (showing leak notification), Water Leak Estimator, and a Detailed Listing of Leaked Water Credit Adjustments regarding the Customer Water Leak Adjustment Credit Program Update.

On September 13, 2018, the Board of Commissioners adopted Resolution No. 674 which established the District's first customer Water Leak Adjustment Program. Prior to Resolution No. 674, the District did not provide any water credit adjustment to customers

for their private water system leaks. Staff prepared this update to inform the Board of Commissioners on the number and total water credit leak adjustments processed and feedback received from customers on the program.

The typical notification process is the Utility Billing Coordinator reviews all accounts for high consumption and flags accounts with high consumption changes for a leak check. Field staff then reviews the water meter's Low Flow Indicator for water consumption. If the meter's Low Flow Indicator is moving, then a High Consumption Notice is hung at the door. In addition, the account is flagged and the District sends a High Consumption Letter to the customer, typically the next business day. Customer classes that can get a leak credit are informed that a credit is possible. Customer classes that cannot get a leak credit do not get information on a leak credit. Finally, when the customer's bill is produced, a bill note regarding the possible leak is included. In addition, customers can also find their own leaks between bill periods, which starts their 30-day window to receive a leak credit.

Since the adoption of Resolution No. 674, the District has approved 31 Water Leak Adjustment Credits totaling \$2,068.35 off original water billings of \$5,771.60, leaving District customers to pay \$3,703.25. With respect to water consumption, the total water consumption, including the "leaked" water was 2,551 water units, of which 2,104 water units represented "leaked" water. The largest leak credit adjustment was \$464.40 and the smallest was \$12.00, with an average Water Leak Credit of \$66.72.

Overall, the program has been well received by customers with the two largest complaints being the small amount of the credit and the 30-day requirement to repair and apply for the leak credit. At a prior Board meeting, staff had discussed these customer concerns with the Board of Commissioners, who reviewed these concerns and directed staff to continue with the 30-day deadline for Leak Adjustment Credits. Mr. Nelson stated that the Board had based their policy decision on the desire to have leaks repaired quickly, under Water Use Efficiency Guidelines, with the economic encouragement that fixing leaks quickly saves both the customer and the District money. In addition to these issues, staff would add that extending the repair deadline to 60 days could create a new customer complaint, that leaked water from the previous bill to the point in which the leak was repaired (referred to as "carryover leaked water") not being included in the leak credit calculation.

One possible change would be to continue the requirement to have the leak repaired within 30 days, but allow the application for a leak credit to be submitted within 60 days. However, most of the customer complaints revolve around how quickly the leak needs to be repaired rather than how long to submit the application for a Water Leak Adjustment Credit.

Staff requested the Board of Commissioners review the staff report on District Water Leak Adjustment Credit and direct any changes (if any) to the program, including extension of the deadline to apply for leak adjustment to 60 days.

Following discussion, the Board of Commissioners directed staff to return with an updated resolution that would extend the deadline for District customers to repair and apply for a water leak adjustment credit.

5.) CAPITAL IMPROVEMENT PROJECT(S):

a.) Staff Report – Waldenwood Lift Station Replacement Project

Mr. Delfel and Mr. Smith provided a verbal summary to the Board of Commissioners on a Staff report and Progress Estimate No. 1, for the Waldenwood Lift Station Replacement Project.

Actions since last report include the following:

- A Pre-construction Meeting was held on August 8, 2019.
- Met with the Snohomish County inspector on-site to discuss the proposed shoring plan on August 29, 2019.

MSI has worked out an arrangement with the Waldenwood HOA for use of the open space adjacent to the lift station site. Staff have been working with MSI on an acceptable shoring plan for the excavation adjacent to the existing lift station, which is the critical path for construction at this time.

Staff requested that the Board of Commissioners review Progress Estimate No. 1 and if in concurrence by motion, direct staff to process a payment to McClure & Sons, Inc. for work performed as identified, including Washington State Sales Tax, in the amount of \$97,363.51, completed in August, 2019. Work completed to date is primarily mobilization, contract and bonding, and material submittals.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved Progress Estimate No. 1 and directed staff to process a payment in the amount of \$97,363.51, including Washington State Sales Tax, to McClure & Sons, Inc.

b.) Update on 131st Water Main Replacement Project

Mr. Smith and Mr. Delfel provided an update to the Board of Commissioners on the 131st Water main Replacement Project.

6.) MAINTENANCE AND OPERATION REPORT(S):

a.) Update on Reservoir No. 3

Mr. Berger provided a verbal report to the Board of Commissioners on updates to the Reservoir No. 3 Project. Mr. Berger reported that the Reservoir was filled and water released to customers with no complaints being received from customers. The Reservoir would be refilled and brought back into service. Commissioner Keppler commented that this has been a long process.

b.) Staff Report – Clean-up Resolution

Mr. Nelson provided a verbal summary to the Board of Commissioners on a Staff report regarding Draft Resolution No. 779 – Clean-up Resolution.

During the process to develop a Draft District Code, Code Publishing, the District’s vendor, reviewed all of the District’s resolutions and organized the resolutions by topic. During this editorial review, Code Publishing identified many resolutions where the intent to repeal a prior resolution(s) was clear in the heading or preamble of the resolution; however, the actual action to repeal the prior resolution(s) was omitted from operative clause of the actual resolution.

Staff requested the Board review and adopt Draft Resolution No. 779, that will formally document the repeal of the historical resolutions where the intent to repeal is clear, but was omitted from the operative clause.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved and executed Resolution No. 779 – Ratifying and Confirming Past Actions to Repeal Resolutions: No. 134, No. 139, No. 510, No. 521, No. 535, No. 574, No. 581, No. 605, No. 617, No. 621, No. 629, No. 636, No. 637, No. 665, No. 666, No. 680, No. 697, No. 699, No. 703, No. 708, No. 711, No. 712, No. 719, No. 732, No. 738, and No. 751.

c.) Staff Report – Code Adoption

Mr. Nelson provided a verbal summary to the Board of Commissioners on a Staff report regarding Draft Resolution No. 780 – Adopting the Silver Lake Water and Sewer District Code.

Code Publishing, Inc. the District’s vendor that prepared the District Code, has completed the project. The draft District Code has undergone two review cycles by staff and is a representative compilation of all the District’s enacted resolutions and current rates, standards, and policies. During this editorial review, Code Publishing identified many resolutions where the intent to repeal a prior resolution(s) was clear in the heading or preamble of the resolution; however, the actual action to repeal the prior resolution(s) was omitted from operative clause of the actual resolution. This has been addressed by the adoption of Resolution No. 779. The District Code also includes tables that provide access to all of the Interlocal Agreements and all of the enacted Resolutions.

Resolution No. 780 has been prepared to adopt the Code of the Silver Lake Water and Sewer District. Following adoption of the Code, an update to the District’s website is planned which will have a link to Code Publishing’s website. The integration will have the look and feel of one website.

Staff requested the Board of Commissioners review, then adopt, Resolution No. 780 – Adopting the Silver Lake Water and Sewer District Code.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved and executed Resolution No. 780 – Adopting the Silver Lake Water and Sewer District Code.

d.) Staff Report – Preliminary Employee Medical and Dental Insurance Rates for 2020

Mr. Nelson provided a verbal summary to the Board of Commissioners on a Staff report regarding the Preliminary Employee Medical and Dental Insurance Rates for 2020.

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 received notice effective August 21, 2019 for the rates effective January 1, 2020. As Dental Insurance must also be renewed effective January 1, 2020, a quote has been requested directly from Delta Dental of Washington, the District's current provider.

In summary, the cumulative change in rates on a monthly basis is \$7.59 for an individual and \$21.21 for full family coverage (based upon coverage in the most popular plan, UMP). The full family coverage, including dental, amounts to \$2,171.44/month just below the District's stipend of \$2,215.00.

e.) Staff Report – Professional Services Agreement – Fully Integrated Team HR (FIT)

Mr. Nelson provided a verbal summary to the Board of Commissioners on a Staff report regarding the Consulting Services Agreement, FIT HR.

The District, as a small employer, has traditionally managed human resources and payroll tasks internally with duties spread among several employees, all of which are also responsible for many other tasks. As human resource tasks become more complicated, due to changes in law and the legal ramifications of personnel issues growing in scale, the General Manager has identified benefit to the District using a consultant to advise and assist the District's Management team in human resources and personnel management.

Staff requested the Board of Commissioner review the Draft Agreement for Consulting Services, then authorize the General Manager to execute the Agreement with Fully Integrated Team HR, LLC, based on hourly rates for consulting services.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners authorized the General Manager to execute a Consulting Services Agreement with Fully Integrated Team HR, LLC. The agreement will be based on hourly rates for Consulting Services.

7.) **STAFF REPORTS**

a.) **District Engineer:**

Mr. Smith reported that staff was reviewing the District's Bills of Sale process. Mr. Smith did not anticipate any Third Quarter Bills of Sale but expected Fourth Quarter Bills of Sale for Board of Commissioners acceptance.

Mr. Smith reported that staff was reviewing several potential Latecomer Agreements coming before the Board, and is also updating District forms and agreements. Mr. Smith asked if the Board would like a discussion item on the latecomer process at a future meeting. The Board indicated this would be a good idea.

b.) **Operations Manager:**

No further report.

c.) **Attorney:**

No further report.

d.) **Finance Manager**

Mr. Nelson reported that staff has had their first meeting with Katy Isaken on the 2019 Utility Rate Study. This report would outline both water and sewer monthly rates and the District's water and sewer new connection fees.

Mr. Nelson reported that in preparation for the 2019 Water and Sewer Rate report, Ms. Hirai prepared a review of District accounts with Snohomish County property tax records. As part of this process, the District identified eight properties where the County had multiple dwelling unit, but the District was only billing for one. Staff is planning on research two of these a month to determine if an addition dwelling unit exists.

Mr. Nelson reported to the Board that field staff found an unauthorized water connection by a jumped pipe in an empty water meter box. This was reported to Mr. Gaffney, who responded and confirmed the connection. Since the connection was unauthorized and was not in compliance with the District's Cross Connection program, the service was turned off and locked off, with notice to the property owner. The property owner has responded and scheduled a Cross Connection survey next week and paid for the connection fees for a water permit. The District will be preparing a back bill for the unbilled service. Commissioner Keppler asked how staff was planning on determining the water consumption, and Mr. Nelson responded the District has several different methods to determine an estimate for consumption.

e.) **General Manager:**

No report.

This ends the Minutes of the September 12, 2019 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 September 12, 2019 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 September 26, 2019, 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 26th day of September, 2019.

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


Bill Anderson, Secretary