

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

September 23, 2021

The regular meeting of the Board of Commissioners of the Silver Lake Water & Sewer District was held on September 23, 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, Finance Manager Brad Nelson, and District Engineer Scott Smith. Attending virtually was 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 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 special meeting of September 7, 2021 were unanimously approved as circulated.

3.) PUBLIC COMMENT:

There was 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. 17165 - 17236) in the amount of \$476,803.59; Revolving Fund Checks (Check No. 8043 - 8093) in the amount of \$84,131.78, were unanimously approved and signed as follows:

Fund	Amount
Water Maintenance	\$125,452.47
Water Capital Improvement	50,177.30
Sewer Maintenance	207,140.24
Sewer Capital Improvement	94,033.58
Revolving Check Fund	84,131.78
Total	\$560,935.37

b.) Staff Report – End of E-Sick Leave – Draft Resolution No. 816

Mr. Nelson provided a Staff report to the Board of Commissioners regarding the end of E. Sick Leave and options to either allow the leave to expire or be extended via Draft Resolution No. 816.

On March 18, 2020, the Federal Government passed the Families First Coronavirus Act which included a provision requiring employers to provide both Emergency Sick Leave (E-Sick) and Emergency Family Medical Leave (E-FMLA) until December 31, 2020. This program was extended twice by the Board of Commissioners. The second extension will expire on September 30, 2021. This federal program for emergency sick leave was in addition to an employee's normal sick leave benefits. The program expiring on September 30, 2021 was limited to COVID-19 related illnesses as E-FLMA was discontinued on June 30, 2021.

Since the program's inception, the District has spent \$34,184.78 in Emergency Leave wages, mostly related to childcare under the E-FLMA leave element. As of the end of August, of the District's 36 qualifying employees: 5 have exhausted their leave amounts; 17 have been approved for Emergency Sick Leave with an average use of 15.44 hours per employee; and 14 employees have used no Emergency Sick Leave. Employees have been prudent in their use of the leave.

While the Federal program is ending, the COVID-19 infection rates are still very high in Washington State and across the nation. The high infection rates are mainly attributed to the rise of the Delta variant and its higher contagious factor, and the ability to infect even fully vaccinated people. The need for some form of Emergency Sick Leave may be as important today as when the Federal program was enacted last year. The current surge in COVID-19 infection rates has created the possibility of extended sick time due to an infection, family member care, or mandated quarantine above and beyond the "normal" sick leave needs of employees.

Staff provided three options for the Board's consideration as a replacement for the Federal Emergency Sick Leave. In addition, staff has drafted two separate resolutions for review.

Option #1

Allow the District's continuation of the Federal Emergency Sick Leave Program to expire on September 30, 2021. No action is required to implement this approach. Employees would still be able to use regular Sick Leave, PTO, and the Washington State Paid Family Medical Leave program if they, or a family member, is impacted by COVID-19.

Option #2

Provide a one-time addition of forty (40) hours of sick leave to all fully vaccinated employees, starting October 1, 2021. Employees that become fully vaccinated by December 31, 2021 would also be eligible to receive the additional forty hours of sick leave. The advantage to this approach is that it is simple to administer and would be provided to all vaccinated employees. It would provide an incentive to fully vaccinate, while also addressing the need for additional sick time. The District would not have to

establish a separate sick leave bank and rules for use and approval. The disadvantage is that it would provide a cash out option under the current sick leave rules of 25% on separation. The total current costs, if all covered employees used the sick leave, would be \$33,750 for forty (40) hours. If no employees used the sick leave, the total cash out value for all employees would be \$8,437 for forty (40) hours per employee, – less since not all employees are fully vaccinated.

Option #3

Create a new Silver Lake COVID-19 Emergency Leave under similar rules to the expired Federal program that would provide employees with COVID-19 Emergency Leave of forty hours. Employees would have to apply to use the leave and use would be restricted to COVID-19 related impacts to the employee or their family. Staff was recommending only fully vaccinated employees be eligible for the leave, with employees having to be fully vaccinated by December 31, 2021 to receive the leave. Employees could use COVID-19 Emergency Sick Leave until June 30, 2022, or another ending date. The total cost of the program, if all employees used the leave of forty (40) hours would be \$33,750. There would be no cash out costs.

Staff requested the Board discuss extending Federal Emergency Sick Leave and Emergency Family Medical Leave. Staff recommended Option #2 at forty (40) Hours.

The Board of Commissioners discussed the extension of Emergency Sick Leave and Emergency Family Medical Leave and determined to take no action at this time, selecting Option #1. The Board of Commissioners also discussed that if the incidence of COVID-19 remains very high in the coming months, where employees need to use significantly more leave than normal, they would like to reconsider the options at that time.

c.) Staff Report – End of Utility Shut Off Moratorium – Set Term of Customer Repayment Plans

Mr. Nelson provided a Staff report to the Board of Commissioners regarding the End of the Utility Shut Off Moratorium – Set Term of Customer Repayment of Arrearages.

On February 29, 2020, Governor Jay Inslee declared a State of Emergency over the COVID-19 virus and directed all state agencies to use all resources necessary to prepare and respond to the outbreak. On March 12, 2020, the Board of Commissioners also declared an emergency and directed staff to develop policies to ensure customers continue to receive essential services regardless of payment status. Staff recommended, and the Board approved, that the District defer service disconnection and late penalty assessments but continue to mail customers the applicable notices to communicate account status (deferred Payment Reminder Notices, deferred Shut-off Notices, deferred Payment Arrangement Confirmation Letters).

The Board also directed staff to develop a Customer Installment Repayment Program to assist customers facing both economic and health hardships, because of the COVID-19 crisis. Shortly after the District's action, Governor Inslee issued Proclamation 20-23, directing all utilities to suspend service disconnections and assessment of penalties for non-

payment. Governor Inslee has extended the order several times, with the current date to expire on September 30, 2021.

The District is preparing to implement the installment plan for customers with a past due balance greater than \$25.00, for at least three or more bill periods past due. A Table was provided to the Board that outlined the number of customers that are three or more bill periods behind and the total arrearage balances.

Staff recommended creating installment plans for all single-family residential customers for a repayment term that extends beyond what was previously authorized. Initially, the Board directed staff to a maximum of 12 months for the installment plan repayment period, with the term being double the number of bill periods behind. As such, a customer that is three bill periods behind, or six months of service in most cases, would have an installment period of six bill periods, or 12 months to repay the past due amount in most cases. However, with the Governor's extensions, the number of bill period customers being behind has also increased. Staff recommended extending the installment periods to a maximum of 9 (18 months).

The installment plan creation would happen the first week of October, with the September billed amount included with the calculation of any installment balance. Starting with the October billing period, customers would be billed their current October bill and one installment period of back billed charges. Customers would have to pay their current charges plus their installment amount, prior to the scheduled service disconnection date. Since the District has not historically performed service disconnections prior to the Christmas holiday, the first scheduled service disconnection date would be January 5, 2022. Staff provided a copy of the 2021 Service Disconnection schedule to the Board.

Customers will have to pay their installment balance in full if the property sells or if the current renter moves out and the property owner wants to provide a copy of the bill to the new renter. In addition, staff recommended charges incurred prior to the pandemic and charges for damages to a water meter not be included with the installment plan balance.

Staff also recommended the creation of the installment plan to be automatic, rather than having customers sign up for the program. In addition, staff recommended no interest rate be charged on the installment balance. Staff would also note that if the Governor elects to extend the moratorium past this date, the implementation of the installment plans would be deferred.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the creation of the installment plan process, providing for the following: Increase the duration from six bill periods to nine bill periods (18 Months); set that the creation date for installment plan will happen after the September bills are generated; confirm automatic creation for all single family residential accounts; direct that charges predating the moratorium and any associated charges to repair the water meter are not to be included with the installment plan; authorize staff to create installments plans for customers less than three bill periods behind at the request of the customer.

5.) DEVELOPER EXTENSION REPORTS

a.) Staff Report – 3rd Quarter Bills of Sale

Mr. Smith provided a Staff report to the Board of Commissioners regarding 3rd Quarter Bills of Sale.

The Bill of Sale on a Developer Extension (DE) project is the legal mechanism used to transfer ownership of the utility infrastructure from the Developer to the District. Past practice has been for the Board to accept the Bills of Sale, cumulatively, at the end of each quarter.

Three DE projects were completed in the 3rd Quarter of 2021, and the new format of the Bills of Sale Calculation Form is now fully in use on DE projects.

A projects list was provided to the Board that showed the projects that have completed construction and the District is in receipt of the respective Bills of Sale. The summary spreadsheet identified the infrastructure value on each project in the 3rd Quarter of 2021. Staff requested the Board of Commissioners acknowledge acceptance of the Bill of Sale for:

- Oakwood Court – 11 lot plat off Seattle Hill Road with offsite water main loop
- Rod Koon Sewer Extension – 1 SFR with an ADU, Cross Valley water service
- Holland Hollow – 3 lot short plat on 116th Street SE at 37th Avenue SE

The value of the developer contributed facilities received by the District in the 3rd Quarter of 2021 is \$150,495.54.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the Bills of Sale for the 3rd Quarter of 2021.

b.) Bertrand Short Plat Payment

Mr. Smith provided a Staff report to the Board of Commissioners regarding the Bertrand Short Plat Payment.

On April 23, 2020, the Board approved a Participation Agreement in the amount \$75,326.92 for an offsite water main replacement as part of the Bertrand Short Plat development project, located along 96th Street SE, east of 27th Avenue SE.

The District is participating with the developer in the cost of the offsite water main to replace an existing 6-inch water main with an 8-inch pipe, for a future loop connection. This dead-end section of pipe is part of an identified system deficiency in the District's adopted Water Comprehensive Plan (CIP Project D-3).

The existing 6-inch water main, east of the new fire hydrant, was replaced as part of the DE project work, and the existing service lines were relocated. The impacted roadway area on 96th Street SE has been repaved and restored, and the District's portion of the work has been inspected and fully completed.

A Bill of Sale has been granted to the District for the offsite water main, and staff has reviewed the requested payment amount of \$48,029.20.

Following discussion, by motion made, seconded, and carried unanimously, the Board of Commissioners approved the developer payment for the District participation work on the Bertrand Short Plat project in the amount of \$48,029.20

6.) CAPITAL IMPROVEMENT PROJECTS:

a.) Staff Report – September CIP Update

Mr. Smith provided a summary to the Board of Commissioners on a Staff report regarding September CIP Updates, and provided a summary of active projects for discussion by the Board.

The planned future projects in the District’s Capital Improvement Plan (CIP) are listed in Chapter 8 in both the Water and Wastewater Comprehensive Plans. CIP projects are also included in the 2021 Financial Plan, which was presented to the Board on November 12, 2020. The Board has approved several contracts with various consultants, contractors, and vendors, and work is ongoing on most projects.

A quarterly CIP update was requested by the Board in 2020, an updated Status Matrix for active projects in the 3rd Quarter of 2021, as well as a five-year Planning Schedule was provided to the Board. The Status Matrix and Planning Schedule also include Developer Participation Projects, where the developer is essentially completing a CIP Project for the District during DE construction.

Mr. Smith reviewed the status of each of the projects included in the matrix in detail, sharing photos of one of the projects currently under construction, the Silver Acres Intertie and Master Meter #3 Relocation project.

7.) STAFF REPORTS:

a.) District Engineer:

No further report.

b.) Finance Manager:

Mr. Nelson reported to the Board that he had transferred funds between the District’s operating accounts and investment account, noting that he will be working with the Bank to resolve some issues with authorizations that he discovered during the process.

Mr. Nelson also outlined several upcoming Staff reports that are scheduled for meetings in October and November associated with financial planning for 2022.

c.) O &M Manager:

Mr. Berger reported that the Department of Health (DOH) conducted the sanitary survey of the District’s water system. A sanitary survey is an onsite inspection that is scheduled once every five years to review the District’s compliance with DOH standards and water quality regulations. A written report will be provided to the District within a few weeks; however, the DOH inspector verbally communicated that there are no major issues to

address and that the District's system and operation is in compliance with all regulations reviewed.

d.) Technical Services Manager:

Mr. Busch reported that the latest adjustments to the camera and audio systems to facilitate hybrid meetings appear to be working well.

e.) Attorney:

No further report.

f.) General Manager:

Mr. Brees recently attended the Washington Association of Sewer and Water Districts (WASWD) conference and business meeting and provided a report on the conference events. Mr. Brees was elected to serve on the Board of the Association as the chair of Section 3.

This ends the Minutes of the September 23, 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 September 23, 2021 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 October 14, 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 14th day of October 2021.

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


Shauna Willner, Secretary