

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF
NORTHSHORE UTILITY DISTRICT**

November 15, 2021

A regular meeting of the Board of Commissioners of the Northshore Utility District was held in-person and remotely through video conferencing and called to order by Commissioner Matt Breysse at 5:30 p.m. on November 15, 2021. Commissioners Thomas Mortimer, Bruce Gardiner, Suzanne Greathouse and Trudy Rolla were present. Also present were Al Nelson, General Manager; Amanda Campbell, Administrative Services Manager; Stephen Dennehy, Engineering Director; Ethan Maiefski, Maintenance and Operations Director; Eric Delfel, Engineering Consultant, and Brenda Smith, Executive Assistant.

(1). CALL TO ORDER

(2). CHANGES TO THE AGENDA

Commissioner Breysse called for changes to the agenda.

(a). Executive Session will be held to discuss **Personnel** matters.

Commissioner Gardiner moved to approve changes to the agenda. Commissioner Mortimer seconded the motion which passed 5-0.

(3). PUBLIC

No public comments were received by Monday, November 15, 2021 as advertised on the District website.

(4). CONSENT AGENDA

Commissioner Gardiner moved to approve the consent agenda consisting of the following:

(a). Minutes: Minutes of the November 1, 2021 Regular Board Meeting.

(b). Voucher: Non-AP Transactions - \$14,865.14
AP Transactions - \$2,155,210.98
Payroll – \$276,220.80

(c). Board Acceptance of Developer Extension Projects and Transfer of Bill of Sale:

Resolution No. 2021-11-03

A RESOLUTION of the Northshore Utility District Board of Commissioners to accept the Developer Extension Agreement and construction of certain **sewer** and **water** system improvements for the **Inglemoor Highschool Concert Hall and Music Building** development project that have been installed by **Northshore School District**, in the vicinity of **15500 Simonds Rd. NE, Kenmore** as complete; and to accept the transfer of ownership of these improvements from the developer to Northshore Utility District by **Bill of Sale** in the amount of **\$70,048.33** for the sewer system

improvements and **\$162,775.55** for the water system improvements.

- (d). Board Acceptance of Developer Extension Projects and Transfer of Bill of Sale:

Resolution No. 2021-11-04

A RESOLUTION of the Northshore Utility District Board of Commissioners to accept the Developer Extension Agreement and construction of certain **sewer** and **water** system improvements for the **Evans Short Plat** development project that have been installed by **Dallas Evans**, in the vicinity of **8331 NE Juanita Dr.** as complete; and to accept the transfer of ownership of these improvements from the developer to Northshore Utility District by **Bill of Sale** in the amount of **\$112,929.46** for the sewer system improvements and **\$176,691.28** for the water system improvements.

Commissioner Mortimer seconded the motion, which passed 5-0.

(5). OLD BUSINESS

- (a). Upland Apartment (Lifebridge Project – D1801) Reduction of Charges

American Property Development has requested billing relief for outstanding sewer charges of their recently acquired project. American Property Development bought the project from the previous developer who went bankrupt during the pandemic. The project consists of three apartment buildings, two of three buildings received Certificate of Occupancy (C of O) from the City of Kirkland in June and August of 2021. The third building has yet to receive its C of O. The City of Kirkland provides water and Northshore Utility District provides sewer service for the project. Per District policy, a multi-family sewer rate was established when the buildings were connected in October of 2020. The current amount owing is \$333,321.77 which is based on 562 multi-family units.

As a follow up to the November 1, 2021 Board meeting, staff verified the District's King County Quarterly reporting payment method. King County payment is based on usage and not per unit charged. As a result, there is no subsidized economic impact to district customers. Therefore, staff recommends a non-residential rate be applied from the time the connection was made to the time C of O was issued. The higher multi-family rate would be applied to the time after C of O was issued. This would reduce the amount billed from \$333,321.77 to approximately \$73,000.00.

Commissioner Greathouse moved to approve the application of a non-residential rate from the date of sewer connection to the date of Certificate of Occupancy was issued for the Upland Apartment project. Commissioner Mortimer seconded the motion, which passed 5-0.

(6). NEW BUSINESS

- (a). Interlocal Agreement (ILA) for City of Kirkland Juanita Drive Improvements Project (C2001)

The City of Kirkland will be constructing road improvements on Juanita Dr NE, between NE 133rd Pl and NE 112th St. The project will include roadway widening, retaining walls and storm

drainage system improvements. These improvements will impact District water and sewer facilities located in the area, requiring water main replacement and modifications to sanitary sewer manholes. In addition to replacing the existing NUD facilities that are impacted by the City's proposed improvements, the project will also include work from a previously cancelled District project in the same vicinity (Contract 2019-02; Pressure Zone Improvements). Contract 2019-02 went out to bid in the Spring of 2020 but was cancelled and put on hold until the District could determine the impacts to this project by the City's proposed Jannita Dr Improvements Project.

Discussions with the City of Kirkland have resulted in the mutual decision that it will be in the best interest of both agencies and rate payers to have the City incorporate the District's improvements into their project. In order to accommodate the work, an Interlocal Agreement (ILA) will be required between the two agencies. The City is presently in the design phase of the project, with construction anticipated to begin in the first quarter of 2023. The District's project costs are anticipated to be in the range of approximately \$2.5M to \$3.0M. All design and construction costs for the project will be paid directly by the City to the consultant and the contractor, with reimbursement to the City by the District. Staff will update the Board periodically regarding the status of the project.

Commissioner Gardiner moved to direct staff to prepare an ILA with the City of Kirkland for the construction of the District's facilities impacted by the City's Juanita Drive Improvements Project and authorize the General Manager to execute the ILA on behalf of the District. Commissioner Mortimer seconded the motion, which passed 5-0.

(b). Interlocal Agreement (ILA) with AWWD for Sewer Repair Project (C2108)

Last week the Maintenance and Operations department discovered sewer mains, totaling approximately 1,030 lf, where the bottom of the pipe has been corroded away. The sewer mains are located adjacent to the Safeway store in Kenmore. These mains need to be slip lined with cured-in-place pipe (CIPP) as soon as possible in order to prevent further problems. In checking with other agencies in the area, it was discovered that Alderwood Water and Wastewater District (AWWD) has just started a CIPP project, in conjunction with five other public agencies, to perform this type of work. AWWD would allow the District to join in this contract through an ILA. Based on the AWWD contract with their contractor, Iron Horse, LLC, it is estimated the total cost to slip line the 1,030 lf of sewer main to be approximately \$125,000.00

Commissioner Gardiner moved to authorize staff to enter into an ILA with AWWD for the sewer repair work in the vicinity of the Kenmore Safeway; and authorize the General Manager to execute the ILA on behalf of the District. Commissioner Rolla seconded the motion, which passed 5-0.

(c). 2021 Rate Resolution – Capacity Expansion Connection Charge Correction

It was recently discovered that the District's annual adjustment to its Capacity Expansion Connection Charge (CECC) was not incorporated in the adoption of the 2021 Rate Resolution. The CECC was established to address capacity impacts specifically related to the Totem Lake sewer basin. An annual adjustment to the CECC is required to account for inflation. The updated corrected amount is \$2,327.00 for 2021, which is an increase of 5.9% from the previous year.

Staff recommended amending Section 11.03 of the 2021 Rate Resolution to update the Capacity Expansion Connection Charge to \$2,327.00.

Commissioner Mortimer moved to amend section 11.03 of the 2021 Rate Resolution to change the Capacity Expansion Connection Charge to \$2,327.00. Commissioner Greathouse seconded the motion, which passed 5-0.

(d). Proposed Additional Customer Service Initiatives and Extend Existing Programs

The District has resumed shut off's and late fees in accordance with Washington State Governor's proclamation 20-23.16. The following initiatives were adopted or extended to assist customers throughout the pandemic;

- On March 16, 2020, the District's Board of Commissioners (the Board),
 - Suspended water service terminations and late fees
 - Increased no-fees credit card limits from \$500 to \$1,000.
 - Suspended property liens
 - Provide structured payment plans for customers
- On July 20, 2020, the Board adopted Resolution No. 2020-07-04 which included a temporary COVID-19 Customer Assistance Program (CCAP).
- On October 4, 2020, the Board approved a "No-Fee" restructuring option for existing connection charge contracts. This offering may provide customers a lower interest rate option.
- On August 13, 2021, the Board adopted a 1-year deferred payment plan for customers who have past due balances after September 30, 2021.

To further assist customers, staff recommends the following:

- 1) Temporarily increase "No-Fee" credit card charges up to \$4,000.00 for utility bill payments through December 31, 2021; and,
- 2) Temporarily suspend utility shut off's for up to 60 days, from the date of a scheduled appointment, or application submittal is made with a utility financial assistance agency (i.e. Hopelink, ARPA, The Salvation Army etc....)
- 3) Extend the District's C19 Low Income Discount Program (C19LIDP) through December 31, 2021.
- 4) Extend the CCAP program per Resolution No. 2020-07-04 through December 31, 2021.

Commissioner Mortimer moved to suspend utility shut off's up to 60 days for those actively applying for utility bill assistance. Extend the District's (C19LIDP) and (CCAP) programs and temporarily increase no-fee credit card charges to bill payments up to \$4,000.00 through December 31, 2021. Commissioner Greathouse seconded the motion, which passed 5-0.

(7). DISCUSSION / INFORMATION ONLY

(a). Board Notification Above \$10,000.00; Badger Meter – 60 1" Water Meters

Staff notified the Board of payment for Badger Meter in the amount of \$15,375.47.

(b). Employee Highlights

Ethan Maiefski, Maintenance and Operations (M&O) Director presented the employee highlights about employee Alex Clark, Utility Work.

Al Nelson, General Manager presented the employee highlights about employee Rosalie Cloy, Administrative Specialist.

(8). REPORTS

(a). Finance Report

Al Nelson, General Manager and Amanda Campbell, Administrative Services Manager presented the Finance report to the Board.

(b). Maintenance and Operations Report

Ethan Maiefski, M&O Director, presented the Maintenance and Operations report to the Board.

Commissioner Gardiner inquired about the professional development process for M&O positions. Mr. Maiefski spoke about the process and offered to provide copies of the Senior Development Work plan used to evaluate and communicate skill development to employees.

(c). General Manager (GM) Report

Al Nelson reported on the following:

- District Mask Requirement – The COVID-19 team researched (King County Department of Health, Center for Disease Control, and L&I) and discussed the option of District staff not wearing mask in the office. A staff poll was taken by the HR Support Specialist to find out what staff feels about wearing mask in the office. Due to the 100% vaccination rate for all staff, it was agreed that mask would no longer be required to wear in the office environment. Those staff members that choose to still wear a mask may continue do so.
- King County Wastewater Treatment Division – The sewer rate for 2022 will be \$49.27 per residential customer or residential customer equivalent per month.
- NEMCo Emergency Manager Position – Agencies that are NEMCo participants are still in the interview process for a new Emergency Manager. A candidate will be selected by the first part of December 2021.
- Wholesale Supplemental Workshop – Update regarding sub-regional rates review.
- Building A Remodel – Update regarding second round of reviewing design boards presented by Gabbert Architects. The final design board will be presented on December 3, 2021.
- American Rescue Plan Act (ARPA) – Amanda Campbell, Administrative Services Manager provided an update regarding the ARPA. The Kenmore Cares ARPA flyer was added to the Districts recent door hangars provided to customers that are in arrears.
- Finance Specialist/Analyst – Beth Graham, Finance Specialist/Analyst will be retiring from the District on December 15, 2021.
- State Auditor's Office of Washington (SAO) – The annual District audit process by SAO

will begin in January 2022.

- 2022 District Budget – The 2022 District budget binders will tentatively be provided to the Board of Commissioners for review during the first part of December. Followed by a Special Board meeting to discuss and review the proposed budget.

(d). Board of Commissioners Report

Commissioner Greathouse updated the Board regarding hosting a holiday light ceremony at District HQ, as previously discussed at the Board of Commissioners meeting held on November 1, 2021. After further discussion it has been decided that the ceremony would not work out for 2021. Staff will provide a cost analysis of stringing lights in a large tree located at the east end of District HQ for 2022.

Commissioner Greathouse will be participating in interviews for the hiring of Fire Fighters for the Northshore Fire District.

(9). UPCOMING EVENTS

(a). Safety Training

The November safety training will be held virtually on Wednesday, November 17, 2021, from 8:00-9:00 a.m. topic will be Asbestos Work Practices.

(b). Office Closure – Thanksgiving Holiday

District offices will be closed for the Thanksgiving Holiday, November 25th and 26th, all day.

(10). EXECUTIVE SESSION

At 6:36 p.m. the Board moved into Executive Session for 10 minutes to discuss Personnel matters pursuant to RCW 42.30.110(1)(g).

At 6:46 p.m. the Regular Session resumed.

The meeting was adjourned at 6:46 p.m.

Matthew J. Breyse

Matthew J. Breyse

D. Bruce Gardiner

D. Bruce Gardiner

Judy C. Rolla

Thomas D. Mortimer

Trudy C. Rolla

S. Greathouse

Suzanne Greathouse