

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

November 4, 2024

A regular meeting of the Board of Commissioners of the Northshore Utility District was held in person. The meeting was called to order by Commissioner Suzanne Greathouse, Board President at 5:30 p.m. on November 4, 2024. Commissioners Trudy Rolla, Bruce Gardiner, Tom Mortimer, and Matt Breyse were present. Also present were Amanda Campbell, General Manager; Ethan Maiefski, Assistant General Manager; Catherine Forrest, Engineering Director; Tom Vane, Maintenance & Operations Director; Rebecca Chen, Finance Director; Eric Delfel, Engineering Consultant, and Brenda Smith, Executive Assistant.

(1). CALL TO ORDER

(2). CHANGES TO THE AGENDA

Commissioner Greathouse called for changes to the agenda.

There were no changes to the agenda.

(3). PUBLIC

No public comments were received by Monday, November 4th as advertised on the District website.

(4). CONSENT AGENDA

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

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

Resolution No. 2024-11-01

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 **Dailey Short Plat** development project that have been installed by **RM Homes LLC**, in the vicinity of **NE 195th St & 80th Ave NE** 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 **\$64,234.16** for the sewer system improvements and **\$75,809.58** for the water system improvements.

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

(5). OLD BUSINESS

Maintenance & Operations (M&O) Director Vane provided an update regarding customer Flansburg who attended the Board meeting on October 21, 2024, regarding a denial of a requested leak adjustment.

M&O Director Vane visited the customer's residence and discovered that the leak issue had to do with a broken toilet flapper. The customer followed up and purchased new replacement parts for all toilets and completed the repairs, which allowed the District to reevaluate the leak adjustment. The customer was credited \$816.99 for a leak adjustment. The customers were extremely grateful for the follow up and wanted to express their appreciation.

Commissioner Gardiner stated that the customer approached this situation being very pleasant, and Commissioner Breyse stated that M&O Director Vane provided customer service that went way beyond what was expected.

(6). NEW BUSINESS

(a). Employee Handbook Revision for Promotion and Reclassification

During a recent promotional process leadership reflected that current practice placing employees within a new trial service period (365 days) and providing a promotional pay increase, inadvertently impacted the employee's performance increase for the current year.

Employees typically receive a 4% annual performance increase every January (unless at top of pay scale) for the prior year worked. When a promotion occurs at any point outside of January 1 (majority of promotions) the employee receives a 5% promotion increase and starts a new 365-day trial service period. The following January, after the promotion, the employee only receives a cost-of-living adjustment (COLA) if applicable. When the trial service period is completed, the employee receives a merit increase for the prior 365 days of performance. The identified "GAP" is the period from the beginning of the year to the date of the promotion.

An example would be if an employee receives a promotion on November 1st (5% increase per employee handbook). Employee was two months away from receiving a 4 – 8% merit increase in January and will now only receive COLA and not receive compensation for the 10 months of their work performance prior to their promotion.

Staff is proposing to compensate employees for the "pre promotion period" at a prorated rate from January to the date they received their promotion. The prorated merit increase would be calculated by taking the time (months) worked prior to the promotion (January to date of promotion) and compensate them 1/12th of 4% for every month worked, prior to their promotion date. This compensation would be given to the employee the January following their promotion after COLA (if applicable).

The Board was provided the proposed verbiage to be added to the Employee Handbook in their Board Packet.

If approved, the General Manager is proposing to retroactively pay three employees who were promoted in 2023 and implement this methodology for three employees promoted in 2024.

Commissioner Gardiner moved to approve the verbiage in the Employee Handbook on page 23, section "Promotion and Reclassification" as suggested by staff. Move to authorize the retroactive pay for three District employees who were promoted in 2023 and implement this methodology for three

employees promoted in 2024. Commissioner Rolla seconded the motion, which passed 5-0.

(b). Hours of Operation on Fridays

The Leadership Team has been brainstorming a variety of options for creating a more flexible workplace. A significant improvement has been the recent pilot of implementing an alternate 9/80 work schedule with every other Friday off. Currently 48 of our 55 employees are on this new schedule, which began September 1, 2024, and has been viewed as an overwhelming success.

An additional option for flexibility is to reduce the hours of operation one hour, on Fridays only, from 8:00 a.m. - 4:30 p.m. to 8:00 a.m. – 3:30 p.m. This would have the multi-faceted benefit of allowing staff who are on the alternate 9/80 schedule the opportunity to maintain a consistent start time, as well as allow staff who are working 5/8's the opportunity to catch up on administrative duties such as email correspondence, permit finalization, updates to customer accounts, research, etc., without in-person or phone interruption during the last hour of their shift on Fridays.

If approved, the District will post notices on the doors, reader board, front counter, and social media accounts for a minimum of two weeks, with an implementation date of November 22, 2024.

Commissioner Mortimer moved to authorize the General Manager to alter business hours on Fridays to 8:00 a.m. – 3:30 p.m. Commissioner Rolla seconded the motion, which passed 5-0.

(c). 2025 Cost of Living Adjustment

For 2024, a 3.8% increase has been confirmed by the U.S. Bureau of Labor Statistics for the CPI-U of Seattle-Tacoma-Bellevue index, June-to-June, Cost of Living Adjustment (COLA). Staff is requesting to formalize this increase to be implemented to each salary range and pay rates effective January 1, 2025.

Commissioner Mortimer moved to authorize District staff and the General Manager to receive the 3.8% Cost of Living Adjustment (100% of CPI-U June-to-June) effective January 1, 2025. Commissioner Rolla moved to second the motion, which passed 5-0.

(d). C1611 – City of Kirkland – 100th Ave NE Corridor Improvements – Budget Amendment

On August 6, 2018, the Board approved an interlocal Agreement (ILA) with the City of Kirkland for the relocation of District facilities that are impacted by the City's 100th Ave Corridor Improvements Project. Construction on District facilities started in the fall of 2023 and is now approximately 90% complete.

The original ILA project cost for design, construction (based on OMA's bid), shared ILA costs, and Construction Management (CM) services was \$1,307,826.

During construction, several Change Orders (CO) and Design Plan Changes (DPC) were issued

to OMA Construction to resolve construction related items necessary to complete the project per NUD standards. The issues include:

- Conflicts with existing third-party utilities
- Conflicts with proposed City of Kirkland facilities
- Replacing old water valves
- Re-alignment of proposed watermain to match actual field conditions
- Additional watermain adjustment due to existing utilities
- Extending watermain replacement to avoid damage to private property
- Side sewer re-design impacts
- Sewer Manhole re-adjustments
- Overruns on quantities such as backfill, sawcut, temp patch, relating to above items

KBA, the District's Construction Management consultant, provided a "Cost to Complete" forecast and determined that at the completion of the project, the District's construction cost would be approximately \$1,535,595 bringing the total project cost expenditure at completion – which includes design, construction, shared ILA costs, and CM services – to be \$1,954,497. If the forecast is accurate, the project will be overbudget at project completion by approximately \$400,000.

District staff requests a budget amendment in the amount of \$450,000 thereby increasing the total project budget from \$1,600,000. To \$2,050,000. Engineering Director Forrest will be providing a reconciliation report and a debrief to the Board at the completion of this project.

Commissioner Breyse moved to amend the project budget of C1611, in the amount of \$450,000. Increasing the total project budget from \$1,600,000 to \$2,050,000. Commissioner Greathouse moved to second the motion, which passed 5-0.

(e). C1921 – City of Kirkland Intersection Improvement Project at 116th Ave NE and NE 124th St, Project Summary

The City of Kirkland has completed the construction of the Intersection Improvement Project at 116th Ave NE and NE 124th St. The project included the widening of 124th Ave NE and storm drainage improvements which impacted the District's facilities. The work on the District owned facilities included construction of approximately 460 LF of ductile iron water main and appurtenances.

On October 4, 2021, the Board authorized staff to enter an interlocal agreement with the City of Kirkland for the design and construction of the District's facilities as part of the City's contract. Construction began on the District's facilities on April 10, 2022, and construction of NUD assets were complete on September 21, 2023. Final acceptance by the city was delayed due to the completion of punch list items, therefore the final pay request was withheld by the city until recently. Consequently, the District has just received the final billing for all associated costs.

The District's total project expenditure is \$311,963.75, which includes design, permits, construction (both NUD direct construction costs as well as shared ILA proportional costs), and construction management. The project is over budget by \$36,963.75. The following items contributed to the additional costs:

- Design revisions due to conflicts with existing utilities (\$1,965.00)
- NUD Direct Construction Costs due to quantity variations and one force account item (\$7,051.00)
- NUD Shared ILA Construction Costs (\$5,675.00)
- NUD Shared ILA Construction Management Coasts (\$1,401.00)
- The original budget did not adequately consider the Shared ILA costs (\$71,576.00)

District staff requests a budget amendment in the amount of \$36,964.00, thereby increasing the total project budget from \$275,000 to \$311,964 to close out the project.

Commissioner Gardiner moved to amend the project budget of C1921, in the amount of \$36,964.00, increasing the total project budget from \$275,000 to \$311,964 to close out the project. Commissioner Breyse seconded the motion, which passed 5-0.

(7). DISCUSSION / INFORMATIONAL

There was no discussion or information items reported to the Board.

(8). DEPARTMENT UPDATES

(a). Finance Update

Finance Director Chen presented the Finance department update to the Board.

Shutoffs/Robocalls - An update was provided regarding the shutoff procedures and use of robocalls. There is now an extra robocall being made three days prior to shut offs and the shut off list is also now including dwelling types (apartments, house, etc.) to help staff have greater situational awareness surrounding each customer.

Data was provided regarding robocalls for the shut off on October 29, 2024.

- 140 original names on shutoff list for calling
- 130 robocalls were successful
- 100 paid

(b). Engineering Update

Engineering Director Forrest presented the Engineering department update to the Board.

Goat Hill Project – The Goat Hill Project should be completed with the District’s portion of work in one to two months.

Development Extension Update – A 468 unit mixed use development is being developed in the Totem Lake area. The City of Kirkland will be facilitating the water system and NUD will handle the sewer system.

ADU/DADU Policies – Aparna Khanal, Development Engineering Supervisor, is currently working on updating the Districts ADU/DADU policies. The updates will be brought to the Board at a

future Board meeting.

Washington 811 – Engineering Director Forrest is a Director for the WA811 Board, representing water and sewer Districts. Currently there is an effort to revise the law to force a few utilities to change their practices. The WA811 Board of Directors is meeting with the National Utility Contractors Association (NUCA) in hopes of finding common goals for damage prevention instead of making the law more onerous on utilities.

(c). Maintenance & Operations (M&O) Update

M&O Director Vane presented the M&O department update to the Board.

Watermain Leak – A challenging watermain leak location on Juanita Drive occurred today. There was a crack in the cast iron pipe which the M&O Team repaired.

Watermain Break – A watermain break occurred at 13746 91st PI NE. There was a 12' section of pipe with a break in the middle. The break was repaired by the M&O team. No damage occurred to the surrounding area.

City of Seattle Agreement – The agreement for the maintenance on the City of Seattle Fire fleet by NUD has been completed. If any work is to be completed by the District's Fleet Team over \$10,000.00 a new purchase order will need to be completed by the City of Seattle.

Staffing Update – There currently is a Lead Utility Worker position open due to Willie Anderson, Lead Utility Worker, transferring to the Engineering department as a Construction Inspector II and Christian Melton, Senior Utility Worker, has received a promotion to the Lead Utility Worker position.

(d). Assistant General Manager (AGM)/General Manager (GM) Update

AGM Maiefski presented the AGM update to the Board.

Open Enrollment – Open enrollment ends on Monday, November 25, 2024.

Staffing Update – Erik Westfall has been promoted to a Senior Construction Inspector III in the Engineering department.

Posted Positions - The General Manager and Accountant positions have been posted.

Emergency Well Source - The Emergency Well Source Project has been moving slowly. AGM Maiefski has not received the consultant's agreement yet. Commissioner Mortimer will follow up with the consultant to see where they are in the process.

General Manager Campbell presented the GM update to the Board.

Appreciation Letter – Thema Crenshaw, Permit Technician received a letter from a customer that expressed their appreciation for the excellent customer service she provided.

Building A Remodel Project – An attorney has been hired by the District regarding the Building A Remodel Project. Eric Delfel, Engineering Consultant, has been working with legal regarding the warranty for the new roof that was installed during the remodel. Legal Counsel has requested that the District continue to hold back funds from the contractor for this project. The contractor has not been paying his sub-contractors.

District Litigation – There have been numerous hours put in for the pre-trial regarding the current District litigation. GM Campbell will be representing the District in trial December 2-13, 2024.

2025 Budget Process – AGM Maiefski will spearhead the 2025 budget process with Finance Director Chen to allow GM Campbell to prep for trial in December.

WASWD Commissioner Workshop – WASWD will be hosting a commissioner workshop on Saturday, January 25, 2025. If any Board member is interesting in attending contact Brenda Smith, Executive Assistant.

WASWD Spring Conference – WASWD will hold it's 2025 Spring Conference in Wenatchee on April 29th – May 1st. Staff members that will be attending are GM Campbell, AGM Maiefski, Engineering Director Forrest and Commissioners Gardiner and Breysse.

General Manager Recruitment – The General Manager position was posted this week. Interviews will start in January or February. The General Manager Recruitment Subcommittee have met and have established a timeline for recruitment.

Staff Halloween Potluck – The staff Halloween potluck was a great success.

District Security – A security incident occurred with a previous person of interest. An alert has been placed on the Verkada system and the City of Kenmore police have been notified.

Staff Retirements – Steve Skylstad, Fleet and Facilities Supervisor, will be retiring from the District in April of 2025. Brenda Smith, Executive Assistant is considering retirement in 2025.

Staffing Updates – There are currently several open positions, General Manager, Accountant, Project Manager, and a Construction Manager.

Snowplow Agreement – Staff is reviewing the snowplowing agreement that the District has with the City of Kenmore. There are concerns regarding the possible liability of providing this service to the city, and this type of work should be responsibility of the City of Kenmore. GM Campbell presented the desire to reduce this level of District involvement in “non water/wastewater” type of activities, so the District can focus on its core responsibilities.

The Board gave direction to GM Campbell to review the snowplow agreement with the City of Kenmore and that the decision to focus on core responsibilities is supported.

(9). BOARD OF COMMISSIONERS REPORT

(a). Board of Commissioners Report

Commissioner Rolla asked if NEOGov is currently in place. GM Campbell reported that the process is close to completion for utilizing NEOGov. The NEOGov will not be utilized for the GM recruitment process.

Commissioner Rolla requested an update regarding the recent burglary at District headquarters and whether all stolen items were recovered. GM Campbell reported that the District did retrieve most items but have not received response yet from the police as to the status of the remaining items.

(10). UPCOMING EVENTS

(a). Flu and Covid Booster Clinic

The District will have a Flu and Covid Booster Clinic on Thursday, November 7, 2024, from 10:00 a.m. – 12:00 p.m.

(b). Holiday Office Closure

District headquarters will be closed for the Veteran's Day Holiday on Monday, November 11, 2024, All Day.

(c). Holiday Office Closure

District headquarters will be closed for the Thanksgiving Holiday on November 28-29, 2024, All Day.

(d). Safety Training

The Safety Training will be held on Wednesday, November 27, 2024, 8:00-9:00 a.m. The topic will be Defensive Driving & Snowplowing Review.

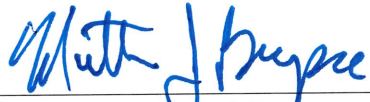
(e). Bloodwork's Northwest Blood Drive

Bloodwork's Northwest Blood Drive will be held at District headquarters on Tuesday, December 10, 2024. The time has yet to be determined.

(11). EXECUTIVE SESSION

No Executive Session was held.

The meeting was adjourned at 6:36 p.m.



Matthew J. Breysse



D. Bruce Gardiner



Thomas D. Mortimer



Trudy C. Rolla



Suzanne Greathouse