

**WOODINVILLE WATER DISTRICT**  
**1412<sup>th</sup> Regular Meeting**  
**November 17, 2020**

**ATTENDANCE**

Commissioners: Chuck Clarke, Dale Knapinski, Pamela J. Maloney, Tim Schriever and Karen Steeb  
Staff: Patrick Sorensen, Ken McDowell, Jack Broyles, Darcie McAlister, Steve Brown,  
Todd Young, Christian Hoffman, Sandra Tachibana, and Jane Nicholls  
General Counsel: William Linton

**CALL TO ORDER**

Commissioner Maloney called the meeting to order at 5:00 p.m.

**ROLL CALL**

Commissioners Clarke, Knapinski, Maloney, Schriever and Steeb along with Attorney William Linton were all present via Microsoft Teams video conference. Dial-in information was posted with the agenda on the District's website.

**ITEMS FROM THE PUBLIC:** None.

Commissioner Knapinski stepped away from the meeting at 5:02 pm.

**ADDITIONS OR DELETIONS TO THE AGENDA:**

Commissioner Maloney requested Item 12 (d) Cabot-Dow Associates Inc. Professional Services Agreement moved to be the first New Business Item.

**MEETING AGENDA APPROVAL**

**It was moved by Commissioner Clarke and seconded by Commissioner Schriever to approve the revised Meeting Agenda. Vote 4-0-0. Motion carried. So ordered.**

**MINUTES APPROVAL**

7 (a) November 3, 2020 Regular Meeting Minutes

**It was moved by Commissioner Steeb and seconded by Commissioner Schriever to approve the November 3, 2020 Regular Meeting Minutes. Vote 4-0-0. Motion carried. So ordered.**

**CONSENT AGENDA**

8 (a) Sign Monthly Vouchers

- Water Maintenance Fund (09-104-0010), Vouchers #98354 through #98416 and Payroll Advice #8737 through #8771 in the amount of \$572,194.43
- Sewer Maintenance Fund (09-104-0510), Vouchers #27163 through #27165 in the amount of \$6,398.97

- Water Construction Fund (09-104-3010), Vouchers #35375 through #35376 in the amount of \$9,175.64

11/23/2020 A/P and 11/10/2020 Payroll A/P

**It was moved by Commissioner Steeb and seconded by Commissioner Clarke to approve the Consent Agenda. Vote 4-0-0. Motion carried. So ordered.**

**ITEMS REMOVED FROM THE CONSENT AGENDA:** None.

10. Public Hearing on 2021/2022 Budget

Commissioner Maloney opened the Public Hearing on the District's proposed 2021/2022 Budget at 5:03 p.m.

Commissioner Maloney asked, "Is there anyone who wishes to speak in the hearing on the proposed budget?" There was no one from the public that asked to speak.

Commissioner Maloney announced, "The public hearing is closed at 5:04 p.m."

Commissioner Knapinski rejoined the meeting at 5:04 p.m.

**OLD BUSINESS:** None.

**NEW BUSINESS**

12 (d) Cabot Dow Associates Inc Professional Services Agreement

Mr. Sorensen reviewed the upcoming 2021 Compensation and Benefit Study which has been contracted with Mr. Gene Matt for the last four studies. Mr. Matt has retired but mentioned he might consider doing one more study for the District.

The District is proposing to conduct a "Total Compensation Report" in 2021. This involves comparing the value of our wages and benefits to what others pay for similar positions and valuing each component of wages and benefits for a total compensation (dollar) picture. This is the same study approach we have followed for the last few surveys. For consistency purposes we will also continue to survey the base line districts and cities used previously in our market. The purpose of the 2021 CBS is again to gain a holistic view of our entire compensation package such that the Board can make a value decision based on total compensation and not just wages.

Mr. Sorensen found in recent MRSC search that there are few qualified organizations currently conducting public water and sewer utility benefit studies in this area. There is one experienced organization based in Bellevue – Cabot Dow Associates Inc. which has been highly recommended.

Gene Matt & Associates has proposed a fee of \$30,000 (same as 2018) Cabot Dow is proposing a total cost of \$21,000. The cost for this study is included within the proposed 2021-2022 Budget

amount of \$25,000. Staff is recommending that the Board move forward with awarding a contract to Cabot Dow Associates Inc.

Mr. Sorensen introduced Alexandra Sheeks who has been a consultant with Cabot-Dow Associates since 2016. Commissioner Maloney welcomed Ms. Sheeks. Ms. Sheeks outlined her experience in conducting successful wage and benefit studies with other utilities and cities.

Commissioner Maloney thanked Ms. Sheeks and said the Board and Staff are looking forward to working with Cabot-Dow in 2021.

**It was moved by Commissioner Knapinski and seconded by Commissioner Steeb to authorize the General Manager to sign a Professional Services Agreement with Cabot Dow Associates Inc. in the amount not to exceed \$21,000.00 for the 2021 Compensation and Benefit Study and to authorize the General Manager discretion for up to 5% contingency for this project. Vote 5-0-0. Motion carried. So ordered.**

#### 12 (a) 2021/2022 Budget Presentation

Mr. Broyles presented a budget overview via PowerPoint. Immediately following the PowerPoint presentation, Commissioner Maloney requested the Board and Staff review the 2021-2022 budget book. The Board provided staff with minor edits to the proposed budget and staff addressed questions from the Board. The Board thanked staff for their work on the budget.

#### 12 (b) 2021 Budget Resolution No. 3969 & 2022 Budget Resolution No. 3970

Mr. Broyles requested Resolution No. 3969 adopting the 2021 operating and capital budget and resolution No. 3970 adopting the 2022 operating and capital budget be approved.

**It was moved by Commissioner Steeb and seconded by Commissioner Knapinski to approve Resolution No. 3969. Vote 5-0-0. Motion carried. So ordered.**

**It was moved by Commissioner Steeb and seconded by Commissioner Knapinski to approve Resolution No. 3970. Vote 5-0-0. Motion carried. So ordered.**

The Board took a five-minute break starting at 6:37 p.m. The meeting resumed at 6:43 p.m.

#### 12 (c) Resolution No. 3971 Overhead Billing Rate

Mr. Broyles reported that the District hasn't updated its overhead rates since 2005. As part of the 2021 – 2022 budget and rate development process, District staff and the District's rate consultant evaluated the current overhead rate of 193% (of affected employee hourly earnings rates) and determined that it required updating.

Resolution No. 3971 will update the rate to 199% of affected employee salaries, beginning January 1, 2021.

By updating the overhead rate, the District will more accurately recover overhead costs it incurs when District employees perform services that are chargeable to specifically identifiable projects.

**It was moved by Commissioner Schriever and seconded by Commissioner Knapinski to adopt Resolution No. 3971 which will update the District's overhead rate not to exceed 199% effective January 1, 2021. Vote 5-0-0. Motion carried. So ordered.**

#### 12 (e) Fee-in-Lieu of Pavement Restoration Agreement with the City of Woodinville

Mr. Hoffman introduced this proposed agreement noting that the District was not pleased with how the City handled this agreement. He mentioned in general joint projects between the City and the District run smoothly, but certainly not in this case.

District Engineering staff has reviewed this Fee-in-Lieu of Agreement and feels that the requested reimbursement is in line with what we would have had to pay if we had entered an ILA with the City. However, District Staff have taken issue with this approach since it removes any controls that Staff, or the Board has to reject the City work and do the restoration ourselves. We also lose any control to negotiate design, and construction management fees for ILA work. It should be noted that there are risks either way, from a cost perspective, whether going with an ILA, or doing the work under a District contract. District Staff have shared this Fee-in-Lieu of Agreement with our attorney and no issues were noted with form, which appears to be standard for this type of Agreement.

The pavement restoration associated with this Fee-in-Lieu of Agreement was included in the Water Construction Fund 2019 & 2020 Budget as part of the NE 195<sup>th</sup> St AC main replacement. That projects total budgeted amount was \$2,700,636. The total construction costs paid for this CIP project was \$1,598,961.20. The requested reimbursement for this Fee-in-Lieu of Agreement is \$107,660.16.

The Board recommends that District Staff draft a letter to the City making it very clear this will be a one-time-only approval. Mr. Sorensen will work with staff to draft a letter for the Board to review.

**It was moved by Commissioner Clarke and seconded by Commissioner Steeb to approve the Fee-in-Lieu of Pavement Restoration Agreement No. 20-082 in the amount of \$107,660.16 and authorizing the General Manager to sign the agreement. Vote 5-0-0. Motion carried. So ordered.**

## **REPORTS**

- (a) General Manager's Report - Mr. Sorensen lead a discussion on possible retreat topics. The suggested topics were: Asset Management, Legislative Process and the SPU contract renewal.

Mr. Sorensen advised the Board he made a minor change to the District Covid protocol requesting that staff allow only one person per District vehicle. He reminded staff to always mask up in hallways and breakrooms and maintain six feet of separation.

(b) Engineering Report - No Report.

(c) Finance Report - Mr. Broyles stated that the District's bond reserve fund was overfunded by \$387,980.88. This occurred because the District continues to pay off long term debt and has not incurred new debt for many years. As a result the required bond reserve balance declines as debt levels decline.

The Finance Manager obtained guidance from Marc Greenough of FosterPepper, the District's Bond Counsel, and discussed the over funding situation with the General Manager. The money was transferred to the District's Capital Improvement fund for water as the funds were proceeds from the 2012 revenue bond issue and are appropriately spent on Capital Projects.

The funds were transferred at King County on November 3, 2020 and staff is requesting that the Board acknowledge and affirm this transfer.

**It was moved by Commissioner Knapinski and seconded by Commissioner Schriever to affirm staff's transfer of \$387,980.88 from Bond Reserve Fund to the Water Construction Fund. Vote 5-0-0. Motion carried. So ordered.**

(d) Operations & Maintenance Report - No Report.

(e) MWPAAC - Mr. Broyles attended the Rates & Finance Committee meeting November 12, 2020 where they discussed King County rate development and the effects Covid is having on future revenue projections. There is no general MWPAAC meeting in November because of the Thanksgiving holiday. The next subcommittee meetings will be December 3, 2020.

(f) Seattle System Operating Board - Commissioner Maloney and Mr. Sorensen attended the November 5<sup>th</sup> meeting on wildfire management and dealing with climate change. The Operating Board shared their annual Customer Service Survey which included all purveyors. Commissioner Maloney asked the GM to forward the survey on to all the Board. The December meeting is December 17, 2020 from 1:00 to 3:00 p.m.

(g) Sno-King Water District Coalition - The next meeting will be December 14, 2020.

(h) Snohomish River Regional Water Authority (SRRWA) - No Report.

(i) Washington Association of Sewer and Water Districts (WASWD) - The Section IV meeting was held November 16, 2020. Commissioner Clarke, Commissioner Steeb and Mr. Sorensen attended via Zoom. An Outstanding Legislator Award was given to Representative Joe Fitzgibbon for his work on better labeling for "disposable" wipes.

Commissioner Steeb attended the WASWD legislative workshop and introduced ideas to better engage with our local legislators. Some of her ideas included sending election or re-election congratulation letters and include a copy of our Pipeline Newsletter. She also suggested working with Mr. Brown to provide a tour of District facilities. The goal would be to begin a cordial working relationship between all the levels of the elected officials and improve communication, to be better prepared for future needs. Commissioner Maloney requested Commissioner Steeb to prepare a bulleted list of recommended actions for Board review. The Board was generally supportive of the suggestions she mentioned in the meeting.

(j) Wellness Committee - No Report.

(k) Attorney's Report - Mr. Linton wished everyone well, no report.

**COMMISSIONER'S COMMENTS:**

Commissioner Maloney said she is available for the audit exit interview.

**COMMISSIONER CALENDARS**

All Commissioners said they should be available for the December 1, 2020 meeting.

**ITEMS FROM THE PUBLIC:** None.

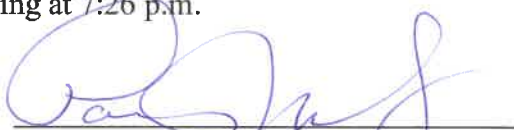
**EXECUTIVE SESSION:** None.


**ADJOURNMENT**


Commissioner Maloney adjourned the meeting at 7:26 p.m.

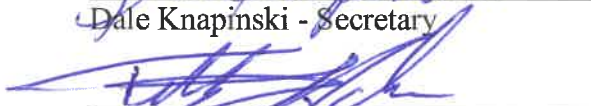
ATTEST:

  
Dale Knapinski - Secretary

  
Pamela J. Maloney - President

  
Chuck Clarke - Vice President

  
Dale Knapinski - Secretary

  
Tim Schriever - Commissioner

  
Karen Steeb - Commissioner