



MINUTES OF REGULAR MEETING OF THE BOARD OF COMMISSIONERS

February 05, 2019

The meeting was called to order at 3:01 p.m.

North City Water District Board Room

Commissioners Present

Commissioner Charlotte Haines
Commissioner Ron Ricker
Commissioner Patricia Hale

Staff Present

Diane Pottinger, District Manager
Amalia Mostrales, Finance Manager
Denny Clouse, Operations Manager
Theresa Harrington, Executive Assistant
Matt Hendricks, District Attorney

PUBLIC COMMENT

None

APPROVAL AND/OR ADJUSTMENTS TO AGENDA

Commissioner Haines made a motion to approve the agenda as presented. Commissioner Hale seconded the motion and the motion passed.

APPROVAL OF MINUTES

District Manager Diane Pottinger identified that there was an error in the draft minutes for the January 15, which since has been corrected. Commissioner Haines made a motion to approve the corrected minutes from the January 15 regular meeting, and the minutes from the January 29 special meeting as drafted. Commissioner Hale seconded the motion. The motion to approve minutes passed and the commissioners signed the minutes.

APPROVAL OF VOUCHERS

Commissioner Haines made a motion to approve vouchers number 5295-5310 and 115355-115393 in the amount \$219,462.92 from the maintenance fund and voucher numbers 393-396 in the amount of \$17,012.56 from the capital fund. Commissioner Hale seconded the motion, which passed unanimously. The commissioners signed the vouchers.

OLD BUSINESS

None at this time.

NEW BUSINESS

a. Fix-A-Leak Program 2019

Executive Assistant Theresa Harrington presented the Board with a memo reviewing the results of the Fix-A-Leak school outreach program for 2017 and 2018 and outlining program recommendations for 2019. Overall participation has been decreasing for the past few years, but the rate of return has been increasing. Ms. Harrington reported that some teachers indicated the 100% participation prize eligibility requirement discouraged participation. Many of these teachers serve non-English speaking students, students who are homeless, in foster care, or in other home situations that make participation impossible. Several teachers indicated they lost interest in participating in the program because of the challenge this created in their classrooms. The Board discussed the goals and merits of the program and possible modifications to the prize structure to increase fairness and participation. A consensus was reached that lowering the classroom return rate for prize eligibility and increasing the number of prizes may help with participation.

Commissioner Hale made a motion to modify the prize structure for the Fix-A-Leak program as follows: Classrooms with 80% participation and above will be eligible for the prize drawing and ten classrooms will be each receive a prize of \$100 in classroom supplies. Commissioner Haines seconded the motion and the motion passed. The Board asked staff to bring back the statistics from 2019 to see if these modifications increased participation rates.

b. Board Room Usage Statistics for 2018

Executive Assistant Theresa Harrington reported that community groups continue to value the ability to use the North City Water District boardroom for meetings and events at no cost. There

are limited public meeting places available in this area or the fees to use the facilities are cost prohibitive for some organizations. In 2018, there were 91 meetings held by community non-profits and government organizations. In the first quarter of 2019, there are already 38 meetings scheduled.

c. North City/Denny Clouse Pump Station ACES Award

Operations Manager Denny Clouse shared with the Board that BHC Consultants and the North City Water District received the 2019 Bronze Award from the American Council of Engineering Companies (ACEC) of Washington for the North City/Denny Clouse Pump Station project. This is a considerable honor for the District.

d. Draft Lease with North City Business Association

The North City Business Association is interested in leasing a space on the North City Water District Administration property adjacent to the parking lot (area behind the generator) to place a storage shed for street banners and decorations used for community events such as Jazz Walk and the Tree Lighting. Ms. Pottinger shared a copy of a lease agreement from 1998 that the District enter into with the Lions Club which was similar in nature to this proposal but at a different location. Attorney Matt Hendricks, provided the Board with a draft lease agreement with North City Business Association for review. The Board discussed the terms presented.

After discussion, the Board recommended the following changes to the draft lease agreement.

- 1) Instead of the proposed 10-year term, the term should expire at the end of 2027.
- 2) The lease agreement should indicate that North City Water District will not hold a key to the shed, but reserves the right to request entry for inspection purposes if needed.
- 3) Remove the option to automatically renew (any changes to the lease can be made at that time).
- 4) Add a clause that states that access to the shed will be during normal business hours or by arrangement with North City Water District management.

Commissioner Hale made a motion to accept the draft lease agreement with North City Business Association with the above referenced changes. Commissioner Haines seconded the motion and the motion passed. Upon further discussion the Board decided on one additional provision. Commissioner Hale motioned to amend the motion to include the provision that the shed structure would belong to North City Water District and the end of the lease term. Commissioner Haines seconded the motion to amend and the motion passed. Attorney Matt Hendricks will finalize the draft with the Board's recommendations. District Manager Diane Pottinger will take the revised lease proposal to the North City Business Association meeting for review.

e. Purchase Offer from Sound Transit for Property at NE 185th Street and 5th Avenue NE

District Manager Diane Pottinger referred the Board to the purchase offer from Sound Transit for a small parcel of District land located at NE 185th Street and 5th Avenue NE which were provided in the Board packet. The Board will continue this discussion under the executive session agenda item later in the meeting.

f. Conflict of Interest – Commissioners

As stated in the North City Water District Commissioners Rules and Procedures, each year the Board will sign a conflicts of interest form. Executive Assistant Theresa Harrington distributed the forms for Board signature. No potential conflicts were identified and the commissioners signed the forms.

g. Potential Update on the Contract with Seattle Public Utilities

Operations Manager Diane Pottinger reported that SPU staff identified a discrepancy between Exhibit II of the water supply contract and Exhibit C of the wheeling agreement with Seattle Public Utilities (SPU) concerning the minimum hydraulic gradient and maximum flow rates. SPU staff requested that the discrepancy be corrected and asked if the Board would consider the proposed changes. After discussion, Commissioner Hale motioned to accept the changes to the contract with SPU as presented. Commissioner Haines seconded the motion and the motion passed.

h. 2019.02.08 Amendment No. 1 of the Contract with SecurComputing LLC for IT Services

Ms. Pottinger presented the Board with a contract amendment with SecurComputing. SecurComputing has provided the District with IT services since 2008. Terms of services were formalized in an updated agreement dated May 3, 2016. SecurComputing would like to amend this agreement. The Board reviewed the resolution and amendment. Commissioner Haines made a motion to approve the resolution, which was seconded by Commissioner Hale and approved by the

Board. The Board and District Attorney signed the resolution.

MANAGERS AND CONSULTANTS REPORTS

a. Finance Manager

Finance Manager Amalia Mostrales reported that she is in the process of finishing the year end accounting processes. Ms. Mostrales also updated the Board on the current lien status. There are currently two properties that will have liens filed against them for non-payment in accordance to our new District policy. There are potentially two more properties which will meet the requirement for lien if not paid up after this due date. The current District code does not allow the removal of meters once a lien is placed on a property resulting in customers being charged a base rate even when they are shut off with a lien on the property. However, if the meter were pulled, the customer would be subject to a new connection charge to restore service to their property, compounding the financial challenges and penalties for the property owner. The Board asked that management conduct industry research to see how other districts are handling liens, disconnection and new connection charges. Finally, Ms. Mostrales informed the Board that she is researching the low-income discount programs at other districts and will have that information for Board consideration at a future meeting.

b. Project Status Report

Phase I Maintenance Building (Site Work)

Operation Manager Denny Clouse reported that Phase I (site work) for the maintenance facility project is 99.9% complete. New West Development has a few pieces of equipment that still need to be removed from the property and there are some small changes to fencing that need to be completed. The rain garden/bioretenion pond has been dug and planted. New West Development has until February 27th to complete the last remaining items and paperwork to close the project.

Phase II Maintenance Building (Building Construction)

Mr. Clouse reported on Phase II of the project. Amendment No. 1 was posted to the builders exchange this week. The District held two site walks on January 24th and January 30th. The first was well attended but no contractors showed up for the second. The bid opening is currently scheduled for Tuesday, February 12th at 1:00 p.m. at the District Administrative Offices. Once the bids are opened, contractors will have one hour to submit final information including a list of their sub-contractors. The District budget for the project is \$4.5 million not including Washington State sales tax. The plans for the project include several phasing options. Once the apparent low bid is identified, Bob Wagner of Wagner Architects will certify the bid. The contract will be awarded shortly after the certification process is complete. Commissioners indicated interest in attending the bid opening. Commissioner Haines made a motion to hold a special meeting on February 12th at 1:00 p.m. for the bid opening. Commissioner Hale seconded the motion and the motion passed. The meeting will be posted on the District website and door.

Water System Plan

Mr. Clouse reported that he is still in the process of working with BHC to identify the capital improvements to include in the Water System Plan. A time sensitive capital improvement need has been identified in relation to the construction of the new Kellogg Elementary School. The location of the school coupled with Fire Department fire-flow requirements indicate the need for major main replacement/upgrade in order to provide required fire-flow to the new school. The proposed capital improvements would not only provide fire-flow to the school, but could provide major benefits to the District in both water quality and system efficiency. District Manager Diane Pottinger informed the Board that staff will be investigating the viability of a cost sharing partnership with the school district to accomplish the required capital improvements for the benefit of both agencies. The topic will be discussed at a future meeting.

c. Operations Manager

Mr. Clouse reported that three development projects are wrapping up and the WSEA's for these projects should be closed out shortly. Once the final paperwork is complete they will be brought to the Board.

d. District Manager

Ms. Pottinger reported that she and Mr. Clouse had worked on reviewing Sound Transit's proposed work and submitted comments officially to the agency. She has not received a response from Sound Transit yet. The due date for 100% submittals is February 14th. Ms. Pottinger informed the Board that as a part of the King County Regional Hazard Mitigation Plan, the District will be hosting a regional meeting and has invited Ronald Wastewater District, the Highlands Sewer District, the Highlands Inc., Northshore Utility, Lake Forest Park Water District, the City of Lake Forest Park

and Seattle Public Utilities. The meeting will be held at the North City Water District on February 27th at 10:30 a.m. In other community news, the City of Shoreline has decided not to proceed with the “road reduction project” for the NE 175th Street between Interstate 5 and 15th Ave NE. She also updated the Board on the comments by the Shoreline City Council regarding the masterplan for the Fircrest site. Finally, Ms. Pottinger reminded the Board that they had planned to revisit the communications recommendations made by Southam Communications during their presentation at the November 6th board meeting. Ms. Pottinger will provide the Board with the presentation materials by Southam Creative to review and discuss at the February 19th meeting.

COMMISSIONERS REPORTS

Commissioner Patricia Hale had no report at this time.

Commissioner Haines reported on her attendance at the Sound Transit 522 project/145th station meeting.

Commissioner Ricker reported on his attendance at various WASWD committee and board meetings.

LEGAL REPORT

None at this time.

EXECUTIVE SESSION

The Board entered into executive session for 10 minutes to at 5:05 p.m. to discuss the possible sale of real property pursuant to RCW 42.30.110(1)(b), with Mr. Hendricks and Ms. Pottinger. The executive session concluded at 5:15 p.m. and the meeting was adjourned.

The next special meeting will be on Tuesday, February 12 at 1:00 p.m. at the District’s Administrative Offices.

The next regular meeting will be on Tuesday, February 19 at 3:00 p.m. in the District’s Administrative Offices.

Ronald Ricker

Charlotte Haines

Patricia M. Hale