



## MINUTES OF REGULAR MEETING OF THE BOARD OF COMMISSIONERS

September 21, 2021

The meeting was called to order at 3:00 p.m. by Board President Patricia Hale. The meeting was held in a hybrid format. Commissioners and staff had the option to attend in person or by call in. Members of the public were invited to attend via conference call.

### **Commissioners Participating**

Commissioner Patricia Hale, President  
Commissioner Ron Ricker, Vice President  
Commissioner Charlotte Haines, Secretary

### **Staff Participating**

Diane Pottinger, District Manager  
Denny Clouse, Operations Manager  
Kern Maresca, Director of Finance  
Theresa Harrington, Executive Assistant  
Jesse Foss, Utility Worker IV

### **PUBLIC COMMENT**

Members of the public were invited to participate by telephone conference call. The dial-in number was posted at the drive-up window at the District administrative offices and posted with the agenda on the District website. No members of the public were present on the call.

### **APPROVAL AND/OR ADJUSTMENTS TO AGENDA**

Commissioner Ricker moved to approve the agenda as presented. Commissioner Haines seconded the motion. The motion passed unanimously.

### **APPROVAL OF MINUTES**

Commissioner Hale pointed out a typographical error in the minutes as presented. Executive Assistant Theresa Harrington corrected the error. Commissioner Haines made a motion to approve the corrected minutes of the September 7 regular board meeting. Commissioner Ricker seconded the motion. The motion passed and the commissioners signed the minutes.

### **APPROVAL OF VOUCHERS**

Commissioner Ricker moved to approve vouchers numbers 6380-6395 and 117979-118909 in the amount \$115,333.78 from the maintenance fund. Staff and commissioners reviewed and discussed the vouchers. Commissioner Hale seconded the motion, which passed unanimously. The Commissioners signed the vouchers.

### **OLD BUSINESS**

None at this time.

### **NEW BUSINESS**

#### **a. NCWD 90<sup>th</sup> Birthday Banner**

To celebrate the District's 90th Anniversary, the District will be releasing a series of social media posts and newsletter articles to share the history of the District with the community. Each month will feature a decade of District history starting in October with the 1930's. Possible public outreach for this project includes a banner or series of banners to be displayed on the wrought-iron fence that runs along 15<sup>th</sup> Avenue NE in front of the new maintenance facility. Draft banner ideas and printing quotes were reviewed and discussed by the board. The Board directed staff to proceed with ordering one 3' x 24' banner for the fence.

#### **b. 2021.09.31 Resolution to approve the hiring of Max Woody as the New Director of Operations and Engineering**

District Manager Diane Pottinger presented a resolution to approve the hiring of Mr. Max Woody. Mr. Woody will be taking over for Operations Manager Denny Clouse who will be retiring in November. Commissioner Ricker made a motion to approve the resolution. The motion was seconded by Commissioner Haines then passed unanimously. The Board signed the resolution.

**c. Resolution 2021.09.32 Rescinding portions of Resolution 2020.03.15 declaring an emergency during Covid-19**

The Governor's moratorium on the assessment of late fees and the disconnection of service due to lack of payment is set to expire on September 30, 2021. At the last meeting, the commissioners passed a motion allowing the District to revert to normal billing practices, including the assessment of late fees and service disconnection for delinquent accounts beginning November 1, 2021. The commissioners requested that the District Manager prepare an authorizing resolution. District Manager Diane Pottinger presented a resolution that would rescind the portion of Resolution 2020.03.15 which prohibited late fee assessment and service shut offs during the COVID-19 emergency. The commissioners reviewed and discussed the resolution. Commissioner Ricker made a motion to approve the resolution. The motion was seconded by Commissioner Hale then passed unanimously. The Board signed the resolution.

**MANAGER REPORTS**

**a. Director of Finance**

Director of Finance Kern Maresca provided an update on the Washington State Department of Revenue excise tax audit. District Manager Diane Pottinger has sent all requested documentation to the auditor for review and the District is awaiting reply. A date has not yet been set for the District's annual financial and bi-annual accountability audit conducted by the Washington State Auditor's office. Mr. Maresca will inform the Board as soon as the date is set.

Mr. Maresca also reported on the status of the 2011 water revenue bonds refinance project. District bond counsel has prepared a draft resolution for Board review allowing the District to obtain a term loan with a qualified lender for the purpose of retiring the water revenue bonds. An RFP for this loan product will go out to banks tomorrow with a response deadline of October 12<sup>th</sup>. Martin Nelson and Company, who is providing financial consulting services on this project, will attend the October 5<sup>th</sup> Board meeting to advise and direction to staff and commissioners. Mr. Maresca requested that a special board meeting be scheduled on October 14<sup>th</sup> to review bank responses and award the contract. Commissioner Hale made a motion to hold a special meeting on Thursday, October 14<sup>th</sup>, at 10:00 a.m. for this purpose. Commissioner Haines seconded the motion and the motion passed unanimously.

**b. Project Status Report/Operation Manager**

Mr. Clouse updated the Board on the status of several capital projects.

- **CIP 2021-03 Water Service Replacement on 30<sup>th</sup> Avenue NE**  
The right of entry permits for this project have been obtained. The permits require 28 days notice to the property owners before work can begin. Property owners can choose to waive this requirement. The District's engineering consultants will speak with the affected property owners to request a waiver of the notice requirement. If all the property owners agree, then the notice to proceed will be issued. If not, the District will hold the notice to proceed until the notice period is fulfilled.
- **CIP 2012-09 New Maintenance Facility – Phase 3**  
The bid opening for this project will be held in the District parking lot on Wednesday, September 22, 2021, at 10:30 AM. Mr. Clouse recommended a special meeting be scheduled on September 23, 2021, at 10:00AM for the purpose of awarding the contract. Commissioner Hale made a motion to hold a special meeting on Thursday, September 23, 2021, at 10:00 a.m. for this purpose. Commissioner Haines seconded the motion and the motion passed unanimously.

Mr. Clouse also discussed several developer projects in the District

- **Apartment building on the corner of NE 189<sup>th</sup> St. and 8<sup>th</sup> Ave NE.**  
A developer is set to begin work on the construction of 266-unit apartment building on the corner of NE 189<sup>th</sup> St. and 8<sup>th</sup> Ave NE. Current water available at this location appears to be sufficient to meet the demands of this building. A sinkhole appeared over the weekend near this site. The cause was believed to be related to a sewer line failure. No water infrastructure was damaged.

- **Apartment building on Ballinger Way NE and 15<sup>th</sup>.**  
Construction of the 244 unit building on Ballinger Way NE and 15<sup>th</sup> is well underway. The District will be conducting pressure tests and chlorinating tomorrow.

Lastly, Mr. Clouse reported he had the opportunity to spend time with the newly hired Director of Operations and Engineering, Max Woody at the WASWD Fall Conference last week.

**c. District Manager**

District Manager Diane Pottinger updated the Board on several items.

- **Sale of the Old Maintenance Faculty Building**  
Ms. Pottinger received notice from the broker that the sale of old maintenance facility is set to close on October 22, 2021. A joint press release will be issued after closing. Ms. Pottinger is optimistic that the publicity of the sale will generate new interest in the two remaining lots still available for purchase.
- **Personnel Manual Review**  
Trupp HR and District Attorney Joe Bennett have reviewed sections 5 and 6 of the personnel manual and have recommended some updates. Ms. Pottinger will be sharing the draft recommendations with staff for review and discussion at the next staff meeting. The draft updates will be brought to the next board meeting for review and discussion.
- **Potential District sponsorship of Shoreline Arts Festival Event, February 15, 2021**  
Ms. Pottinger informed the board that the Shoreline Arts Festival will be holding an event in North City on February 15, 2022 and is looking for community sponsorships. This prompted a robust Board discussion regarding the current COVID-19 protocols and mandates for community-based events. Ms. Pottinger informed the Board that the District is scheduled to attend the Lake Forest Park Farmers Market as a day sponsor on Sunday, October 3, 2021. After discussion the Board requested that the District cancel its in-person participation in this event due to current rates of COVID-19 in the community. They agreed to provide some financial sponsorship for the Arts Festival, but the decision to staff a booth will be dependent on the community health status in February. The District is also planning a retirement gathering for Operations Manager Denny Close on November 5<sup>th</sup> at the Embassy Suites in Lynnwood. The Board advised staff to inform guests that a COVID-19 vaccination or proof of a negative COVID test will be required to attend the event.
- **Long Term Care Insurance Sign up**  
The open enrollment period for the long-term health insurance plan offering from Allstate will close on September 30th. The District still needs one more person to sign-up for the District to be eligible. Ms. Pottinger will remind all interested staff to sign up soon.
- **SPU Contract Negotiations**  
Ms. Pottinger continues to work with the SPU wholesale partners on contract negotiations. A memorandum of understanding will be circulated to the Operating Board Members requesting a commitment to share in the costs for legal and final consulting services during the 2021-2022 contract negotiations. There will be a call at 2:00PM tomorrow to review the rates section of the contract.

**COMMISSIONER REPORTS**

Commissioner Haines reported that she attended the Shoreline Historical Society ribbon cutting on Saturday.

Commissioner Ricker attended the WASWD Fall Conference.

Commissioner Hale also attended the WASWD Fall Conference.

Commissioner Hale concluded the meeting at 5:03 p.m.

The next special meeting of the Board will be on Thursday, September 23, 2021, at 10:00 a.m. in a hybrid remote/in-person format.

The next regular meeting of the Board will be on Tuesday, October 5, 2021, at 3:00 p.m. in a hybrid remote/in-person format.

---

Patricia M. Hale

---

Ron Ricker

---

Charlotte Haines