



## MINUTES OF REGULAR MEETING OF THE BOARD OF COMMISSIONERS

October 5, 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, Director of Operations/Engineering  
Max Woody, Director of Operations/Engineering  
Kern Maresca, Director of Finance  
Theresa Harrington, Executive Assistant  
Jesse Foss, Utility Worker IV  
Joe Bennett, District Attorney

### **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. District financial consultant Jim Blumenthal (Martin, Nelson, and Company) and District bond counsel Cynthia Weed (K&L Gates) were present on the call for the bond discussion.

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

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

### **APPROVAL OF MINUTES**

Commissioner Haines made a motion to approve the minutes of the September 21 regular Board meeting and the minutes of the September 23 special meeting. Commissioner Ricker seconded the motion. The motion passed and the commissioners signed the minutes.

### **APPROVAL OF VOUCHERS**

Commissioner Haines moved to approve vouchers numbers 6396-6409 and 118010-118047 in the amount \$385,305.84 from the maintenance fund and vouchers number 659-662 in the amount of \$19,883.07 from the capital fund. Staff and commissioners reviewed and discussed the vouchers. Commissioner Ricker seconded the motion, which passed unanimously. The commissioners signed the vouchers.

### **OLD BUSINESS**

None at this time.

### **NEW BUSINESS**

#### **a. Introduction of new Director of Operations and Engineering Max Woody**

District Manager Diane Pottinger introduced the new Director of Operations and Engineering Max Woody. Mr. Woody will be filling the position that will be vacated by the retirement of Mr. Denny Clouse. Mr. Woody reported that he has been busy learning about the District and his job duties from Mr. Clouse and that he enjoyed meeting the commissioners at the Washington Association of Sewer and Water District's fall conference. The Board and staff welcomed Mr. Woody to the North City Water District team.

#### **b. Bond Resolution Presentation by Martin Nelson and Company**

The District's financial consultant Jim Blumenthal provided the Board with a presentation on market and interest rate information and a timeline for the 2011 bond refinance process. He provided potential annual interest savings that could be realized from the refinancing the bonds with a 10-year term loan. He

cautioned the Board that current political realities have created uncertainty in the marketplace which may impact the interest rates offered for this loan product. Therefore, the actual savings may be less than projected. Regardless, Mr. Blumenthal expressed confidence that even if interest rates are higher than currently projected, the District would still realize significant savings from the refinance process. On the advice of the financial consultants, the District issued a request for proposals to financial institutions for rates and terms on a ten-year term loan. The RFP was issued on September 22<sup>nd</sup> with a response date of October 12<sup>th</sup>. Mr. Blumenthal indicated that he has had some banks inquire on the RFP and he anticipates several responses by the due date. Mr. Blumenthal indicated he would be in contact with managers with a summary of the bids and recommendations on the evening of October 12<sup>th</sup> or the morning of October 13<sup>th</sup>. The Board has scheduled a special meeting on October 14<sup>th</sup> at 10am to consider the requests for proposal and award the contract. District bond counsel, Cynthia Weed, reviewed a draft of the bond resolution that will formalize the refinance agreement with the selected banking institution. Ms. Weed provided a summary of the resolution document and answered questions from commissioners and staff.

**c. 2021.10.34 Updating Resolution 2021.09.31 regarding the start date for Mr. Max Woody as Director of Operations and Engineering.**

District Manager Diane Pottinger explained that Mr. Woody was able to start his employment with the District on September 30 rather than October 1, 2021, and that it was in the District's best interest to maximize the training time Mr. Woody would have with the current Operations Manager prior to his departure. Ms. Pottinger introduced a resolution to update Mr. Woody's start date to September 30<sup>th</sup>. Commissioner Haines made a motion to approve the resolution. Commissioner Ricker seconded the motion, which then passed unanimously. The Board signed the resolution.

**d. Review of the District Personnel Manual Sections 5 & 6**

The District is in the process of updating its personnel manual. Ms. Pottinger shared a timeline at the last meeting outlining the review process. Board, staff, management, and the District's attorney will review two to four sections of the manual each month with the goal of final adoption in January of 2022. District Manager Diane Pottinger presented the commissioners with a draft update to sections 5 & 6 of the District's Personnel Manual. The updates include recommendations from Trupp HR the consultants who conducted the District's recent salary and compensation review. The updates have been reviewed by District Attorney Joe Bennett and the District staff. The commissioners reviewed the updates and concluded that a work session for each review section would be beneficial to allow for substantive discussion on the proposed changes. Three special meetings were proposed for this purpose. Commissioner Hale moved to schedule special meetings of the Board of Commissions on Tuesday, November 9 at 3:00 p.m., Tuesday November 30 at 3:00 p.m. and Tuesday December 14 at 3:00 p.m. Commissioner Haines seconded the motion and the motion passed unanimously.

**MANAGER REPORTS**

**a. Director of Finance**

Director of Finance Kern Maresca reported that the Washington State Auditor's office has been in contact with the District and has sent the list of documents required to conduct the annual financial and bi-annual accountability audit. Mr. Maresca and Ms. Pottinger will be working together to provide the documentation. Mr. Maresca anticipates the audit will be completed by mid-December. The Washington State Department of Revenue excise tax audit is still in review. The District has provided all requested documentation to the auditor and is awaiting reply.

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

Mr. Clouse also discussed several developer projects in the District

- **Apartment building at 20057 Ballinger Way NE (Quinn by Vintage)**  
The tie-in is complete for the apartment building on Ballinger Way NE. Meters will be installed soon.
  
- **Development of 5 Townhomes near 20<sup>th</sup> NE and Forest Park Drive**  
This project is currently on hold due to permitting issues at the city. This is a complicated development situation that will involve coordination with the city, fire department as well as the District. The District will need to ensure that the appropriate easements are secured for this development to ensure access for repairs.

**c. District Manager**

District Manager Diane Pottinger updated the Board on several items.

- **District's 90<sup>th</sup> Birthday Celebration**

Ms. Pottinger informed the Board that a large banner will be installed on the wrought iron fence along 15<sup>th</sup> Avenue at the new maintenance facility site announcing the District's 90<sup>th</sup> year. The District will also be launching a monthly blog post with historical information on the District and community for each decade. The first of blog post will feature information for the 1930's and will post on October 7<sup>th</sup>.

- **SPU Updates**

Ms. Pottinger and Mr. Clouse will be meeting with Operating Board member Alex Chen and SPU staff member Terri Gregg to discuss the District's connection to SPU's 66" diameter transmission main.

Ms. Pottinger also updated the Board on the SPU wholesale contract negotiations. Nine Districts have responded affirmatively to the memorandum of understanding to share in the costs for legal and financial consulting services during the 2021-2022 negotiation. Ms. Pottinger will present a resolution at the next meeting for the Board to approve NCWD's financial contribution for this project. Ms. Pottinger also reported that the working group of wholesale customers will be meeting next week to prioritize which areas of the contract they would like to focus on changing. The commissioners were invited to attend.

### **COMMISSIONER REPORTS**

Commissioner Haines reported provided additional information on her attendance at the Shoreline Historical Society ribbon cutting.

Commissioner Ricker had no report at this time.

Commissioner Hale reported that she attended a meeting of community arts groups looking to build affordable artist work/residence spaces in Shoreline. Several of the proposed sites for the project are within the District boundaries and may require water system improvements.

Commissioner Hale concluded the meeting at 4:43 p.m.

The next special meeting of the Board will be on Thursday, October 14, 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 19, 2021, at 3:00 p.m. in a hybrid remote/in-person format.

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Patricia M. Hale

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Ron Ricker

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Charlotte Haines