



MINUTES OF REGULAR MEETING OF THE BOARD OF COMMISSIONERS

October 19, 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
Joe Bennett, District Attorney

Consultant

Jim Blumenthal – Martin, Nelson, and Company

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. Representatives from K&L Gates (District Bond Counsel) Scott McJannet and Cheryl Fountain 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 October 5 regular Board meeting and the minutes of the October 14 special meeting. Commissioner Ricker seconded the motion. The motion passed and the commissioners signed the minutes.

APPROVAL OF VOUCHERS

Executive Assistant Theresa Harrington provided the Board and staff with updated vouchers for review and approval. A question was asked regarding voucher number 118048, pertaining to a customer refund. District Attorney Joe Bennett recommended the discussion continue in executive session. Commissioner Haines made a motion to add an executive session at the end of the meeting, for the purpose of considering potential litigation, under RCW 42.30.110 (i). Commissioner Hale seconded the motion and the motion passed. The approval of voucher 118048 will be considered after the executive session is completed.

The Board reviewed and discussed the remaining vouchers. Commissioner Haines moved to approve vouchers numbers 6410-6427 and 118049-118085 in the amount \$280,258.55 from the maintenance fund and vouchers number 663-665 in the amount of \$22,267.60 from the capital fund. Commissioner Ricker seconded the motion, which passed unanimously. The commissioners signed the vouchers.

OLD BUSINESS

a. Sale of the Property at 16906 – 15th Avenue NE

District Manager Diane Pottinger reported that she and Commissioner Patty Hale signed the closing documents for the sale of the old maintenance facility building today. Several corrections were noted at the signing relating to the escrow payment. The documents will go to the buyer for signatures and closing is scheduled for Friday October 22. The proceeds from the

sale should be received by the District the following Monday. The adjacent two lots at this location are still up for sale.

NEW BUSINESS

a. 2021.10.35 Water Revenue Refunding Bond 2021

District financial consultant Jim Blumenthal reported that Capital One Bank completed the required credit checks, and the District has been approved for the water revenue refunding bond. He thanked the District's bond counsel for their quick work in finalizing the bond resolution document with the specific terms of the loan and presented it to the Board for review and approval. The loan will close October 28. Escrow documents will be signed by a District representative and a representative of the lender several days prior to closing. The Board reviewed and discussed the resolution with the financial consultant and bond counsel. Commissioner Hale made a motion to approve the resolution. Commissioner Ricker seconded the motion, which then passed unanimously. The Board signed the resolution. Commissioner Hale made a motion to appoint Commissioner Ricker to serve as District representative for the escrow signing. Commissioner Haines seconded the motion which passed unanimously. District staff thanked Mr. Blumenthal and K & L Gates for their assistance with this project, which will save the District approximately \$425,000 in gross savings over the ten-year term.

b. NCWD COVID Response

Ms. Pottinger updated the Board on the status of overdue accounts. The number of customers with balances over 120 days past due continues to increase. There are currently 185 customers in arrears with an average balance of approximately \$600. The Governor's moratorium on the assessment late fees and shutoffs expired on September 30, 2021. At the September 21 regular meeting, the Board approved Resolution 2021.09.32 which permitted the District to revert to normal billing practices, including the assessment of late fees and service disconnection for delinquent accounts beginning November 1, 2021. Since that time, the mayor of Seattle announced the extension of the city's COVID-19 eviction and utility moratoriums through January 15, 2022, and some other neighboring utilities have done the same. Ms. Pottinger informed the Board that she and the Director of Finance Kern Maresca have discussed the best way to proceed considering this new development. They recommended delaying the assessment of late fees and shut offs until January 2022 to provide equitable treatment of all customers and to allow additional time for personal outreach to customers at risk of shut-off. Upon Board approval, she and Mr. Maresca plan contact by telephone all customers in danger of shut-off to offer payment plans and inform them of the return to normal billing procedures. The Board supported this plan and instructed Ms. Pottinger to bring a resolution to affirm these recommendations to the November Board meeting.

MANAGER REPORTS

a. Director of Finance

Director of Finance Kern Maresca reported that due to some unexpected staffing shortages, it was a busy week. He also reported that he and the District Manager continue to work with the Washington State Auditor's office on the annual financial and bi-annual accountability audit. The audit is on track for completion in mid-December. The Washington State Department of Revenue excise tax audit is still in review.

b. Project Status Report/Director of Operations and Engineering

Incoming Director of Operations and Engineering Max Woody updated the Board on vehicle replacements planned for 2021. The District budget includes the purchase of a skid steer for the new maintenance facility and the replacement of one two-wheel drive pick-up truck. COVID-19 has created scarcity in the vehicle marketplace which has impacted availability and pricing. Mr. Woody presented several options and informed the Board that he and Mr. Clouse will be doing further research on options and will update the Board at the next meeting.

Outgoing Director of Operations and Engineering Denny Clouse took the opportunity to thank the Board for their leadership in providing training and continuing education opportunities for staff and management. Mr. Clouse reported that he has observed the direct benefits these opportunities have provided the District and its employees, and he expressed his desire that training, and education remain a priority for the District for years to come.

DISTRICT MANAGER

District Manager Diane Pottinger updated the Board on several items.

- **Main Break**

There was a main break at 8:00 a.m. this morning. Ms. Pottinger posted the break on the Next Door so that customers would be aware of the situation. The field technicians had the main repaired in under two hours and Ms. Pottinger posted the resolution on social media. She recognized that the good communication with staff reflects well on the District.

- **Staff Meeting HRA VEBA Presentation**

In addition to the monthly emergency preparation presentation, Emily Spencer from Gallagher insurance will be presenting on the District's HRA VEBA plan. Ms. Pottinger informed the Board that she will be on vacation for the next week and that Mr. Clouse would be leading the staff meeting.

- **FlexNet System**

The District is in the process of implementing the FlexNet meter reading system. Director of Operations and Engineering Max Woody will be taking the lead on the transition and will be working with utility billing staff to implement.

- **Firecrest Re-development**

State funding for the redevelopment of the Firecrest site has been pushed out two years, stalling plans for water system improvements at the site. District staff will continue to work with Firecrest site planners and the state legislature as the project develops.

- **ATT Electricity Bill**

ATT leases space on top of the District's reservoir for a cellular antenna. ATT has not paid for electricity used at the new pump station since the transition from the Seattle City Light meter to North City Water District's meter. Ms. Pottinger has been working with contacts at ATT to resolve the issue. ATT had been informed that they will not be granted access to the site until their account is brought current.

- **Lease with Shoreline Fire Department**

Ms. Pottinger been in discussion with the Shoreline Fire Department about the possibility of placing a repeater at the station to assist with the new radio meter read system. The Fire Department has provided preliminary approval and Ms. Pottinger will draft a lease agreement for Board review.

COMMISSIONER REPORTS

Commissioner Haines had no report at this time.

Commissioner Ricker had no report at this time.

Commissioner Hale reported on her attendance at a City of Shoreline SEPA meeting regarding two traffic round-abouts planned on NE 145th Street.

EXECUTIVE SESSION

The Board went into executive session at 4:39 p.m. for 10 minutes for the purpose of discussing pending or potential litigation per RCW 42.30.110(1)(i). The Commissioners, Mr. Bennett, District Manager Diane Pottinger, Directors of Operation and Engineering Denny Clouse and Max Woody, and Director of Finance Kern Maresca were present. The executive session concluded at 4:47 p.m.

PUBLIC SESSION RESUMED

The meeting went into a short recess and resumed for public session at 4:48 p.m.

APPROVAL OF VOUCHER

Commissioner Haines moved to approve voucher number 118048 in the amount \$9,850.72 from the maintenance fund. Commissioner Ricker seconded the motion, which passed unanimously. The commissioners signed the voucher.

Commissioner Hale concluded the meeting at 4:57 p.m.

The next regular meeting of the Board will be on Tuesday, November 2, 2021, at 3:00 p.m. in a hybrid remote/in-person format.

The next special meeting of the Board will be on Tuesday, November 9, 2021, at 3:00 p.m. in a hybrid remote/in-person format.

Patricia M. Hale

Ron Ricker

Charlotte Haines