



MINUTES OF REGULAR MEETING OF THE BOARD OF COMMISSIONERS

November 2, 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

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. There were no members of the public present on the call.

APPROVAL AND/OR ADJUSTMENTS TO AGENDA

District Manager Diane Pottinger requested an adjustment to agenda item 11. Executive Session. She proposed the addition of an executive session discussion for the purpose of considering a personnel matter, under RCW 42.30.110 section 1(g). Commissioner Haines moved to approve the agenda as adjusted. Commissioner Ricker seconded the motion. The motion passed unanimously.

APPROVAL OF MINUTES

Commissioner Haines pointed out a typographical error in the minutes as presented. Executive Assistant Theresa Harrington corrected the error. Commissioner Ricker made a motion to approve the corrected minutes of the October 19 regular Board meeting. Commissioner Haines seconded the motion. The motion passed and the commissioners signed the minutes.

APPROVAL OF VOUCHERS

Commissioner Ricker moved to approve vouchers numbers 6428-6444 and 118086-118139 in the amount \$296,779.64 from the maintenance fund and vouchers number 666-669 in the amount of \$13,760.65 from the capital fund. Staff and commissioners reviewed and discussed the vouchers. Commissioner Haines seconded the motion, which passed unanimously. The commissioners signed the vouchers.

OLD BUSINESS

None at this time.

NEW BUSINESS

a. 2021.11.36 Approving Agreement with K&L Gates as Bond Counsel

District Manager Diane Pottinger presented a resolution to ratify the agreement with K & L Gates to provide legal assistance for the 2011 bond refinancing. Commissioner Hale made a motion to approve the resolution. Commissioner Ricker seconded the motion, which then passed unanimously. The Board and District Attorney signed the resolution.

b. 2021.11.37 Approving the Purchase of a new F-150 4x4 Pick-up from Washington State Bid List

Director of Operations and Engineering Max Woody presented a resolution to approve the purchase of an F-150 4x4 Pick-up. This purchase is a budgeted replacement of one of the Districts existing fleet vehicles. Commissioner Ricker made a motion to approve the resolution. Commissioner Hale seconded the motion, which then passed unanimously. The Board and District Attorney signed the resolution.

c. 2021.11.38 Extending Moratorium to December 31, 2021, and Ratifying Agreement with Hopelink

At the September 21 regular meeting, the Board passed Resolution 2021.09.32, extending the District's moratorium on late fees, and shut offs to October 31, 2021. At the October 19, 2021, regular meeting, Board, and staff discussed extending the moratorium through the end of 2021. This extension will allow staff the time to personally contact customers in arrears and connect them to assistance programs or to set up pay arrangement. Mr. Maresca reported that the customer service team has met and developed a plan to communicate with all customers in danger of shut off and Ms. Pottinger recently signed a vendor agreement with Hopelink to allow the District to apply benefit payments from Hopelink to eligible customer's current and past due bills. Ms. Pottinger presented a resolution to extend North City Water District's moratorium on the assessment of late fees and shut-off to December 31, 2021, and to ratify the agreement with Hopelink. Commissioner Haines made a motion to approve the resolution. Commissioner Ricker seconded the motion, which then passed unanimously. The Board and District Attorney signed the resolution.

d. Review of District Personnel manual Sections 1 & 2

District Manager Diane Pottinger shared a draft of the proposed changes to Sections 1 & 2 of the District's personnel manual. Commissioners will have an opportunity to discuss the personnel manual updates in detail at the upcoming special meetings in November scheduled for this purpose.

MANAGER REPORTS

a. Director of Finance

Mr. Maresca reported that the Washington State Department of Revenue excise tax audit is complete. The District passed the audit with no material adverse finding. Ms. Pottinger credited past Finance Manager Amalia Mostrales and current Accounting Specialist Jennifer Tucker for implementing procedures and policies that ensured compliance. Mr. Maresca 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. Lastly, Mr. Maresca thanked Commissioner Hale and Commissioner Ricker for their assistance with signing of closing documents for the 2011 bond refinance. The bond has closed and is currently in escrow.

b. Project Status Report/Director of Operations and Engineering

Incoming Director of Operations and Engineering Max Woody updated the Board on several development projects in the District.

- A property at 1540 NE 192nd Street (adjacent to Supply Station No. 1) is planning an addition.
- A property at NE 16721 Street and 8th Ave NE will be dividing their lot and developing a single-family home on the second lot.
- A property at 519 NE 155th Street will be developing five townhomes on the existing single lot.
- Sound Transit inquired with the District about a new development being planned at NE 189th St and 8th Ave NE near the Shoreline North Light Rail Station. The District met with the developers for this site in March to discuss their plans for a 266-unit complex. There has been no new information on the project since then.

Mr. Woody also updated the Board on several ongoing capital projects.

- **CIP 2021.01 - 2.0 MG Reservoir Work** – On August 26 District engineering consultant Murraysmith and District staff completed an inspection of the reservoir. The District has received the results of that inspection. Four cracks were identified on the interior of the tank that will require repair and the outside of the tank requires painting. The estimate of needed repairs is approximately \$270,000.00. The District will use its small works roster to find a contractor to complete the required repairs. As part of the inspection, a survey of the property lines at the reservoir site was conducted. It was discovered that the fencing and property lines do not match up. Property neighbors have constructed a shed that is on District property. District staff is in communication with the neighbor regarding the property lines and relocation of the shed in question. Separate from the initial inspection, the roof of the reservoir was damaged by a large branch that came down in the late October windstorm. Repairs will be scheduled soon.

- **CIP 2021.03 - 30th Ave NE Service Lines –**
District contractor Harkness Construction has begun work on the water service replacement project along 30th Avenue NE.

Lastly, Mr. Woody updated the Board on the implementation of the Flexnet auto meter read system. Mr. Woody reported that a training will be scheduled soon with field and office staff to learn more about how the information can be used and integrated into the current billing system. Representatives from Ferguson and Sensus will be visiting the Fire Station on NE 155th Street and the 2.0 MG reservoir site to evaluate these sites for use as base stations which will enable the Flexnet system to read meters located in low points of the District that cannot be read with the main antenna.

DISTRICT MANAGER

District Manager Diane Pottinger updated the Board on several items.

- **Meeting with State Senator David Frockt, 46th Legislative District**
Senator Frockt will be coming for a tour of the new maintenance facility on Wednesday, November 3 at 1:00 pm. Judi Gladstone, Executive Director of WASWD, will present Senator Frockt with the Legislator of the Year Award.
- **Fircrest Re-development Update**
As part of future to improve the Fircrest water system, the DOH will be awarded two consulting contracts for the development of a comprehensive water system plan and for building of a hydraulic model for the site.
- **Refund to Sheridan Beach Community Club**
At the last meeting the Board approved a refund to the Sheridan Beach Community Club due to a billing error. Ms. Pottinger informed the Board that she personally delivered the refund to an SBCC Board member, who was very appreciative.
- **Sound Transit**
When Sound Transit entered a WSEA with North City Water District for the system improvements necessitated by the construction of the new light rail station, they paid a deposit to cover the related work. Sound Transit has now exhausted their initial deposit. Ms. Pottinger and Mr. Clouse are working on an invoice for the Sound Transit project and will be negotiating payment for the remaining work.
- **AT&T Electricity Bill**
Ms. Pottinger reported that the District is still attempting to collect from AT&T for the past due balances owed for electricity used at the North City/Denny Clouse pump station. AT&T is \$20,000 in arrears as of the end of 2020. The commissioners directed the District's Attorney to work with Ms. Pottinger to resolve the issue.
- **SPU Contract Negotiations**
Ms. Pottinger reported on the current discussion regarding the sub-regional approach to cost sharing in the current SPU contracts. Upon her request, SPU has provided the purveyors with comparative data on the current sub-regional approach and a proposed equal share approach. This information will prove very helpful as purveyors continue contract negotiations. As the Chair of the Operating Board, Ms. Pottinger is coordinating a meeting in mid-November with all the purveyors to review and discuss the information provided for contract negotiations. Commissioners are invited to attend. Ms. Pottinger also informed the Board that she will be bringing an invoice for North City Water District's contribution to the contract for professional assistance in the negotiation process.

COMMISSIONER REPORTS

Commissioner Haines reported on her attendance at the SPU presentation of the sub-regional cost sharing information.

Commissioner Ricker reported on his attendance of the WASWD Section IV meeting.

Commissioner Hale reported on some development news within the District.

EXECUTIVE SESSION

The Board went into executive session at 4:24 p.m. for 20 minutes for the purpose of considering a real estate matter per RCW 42.30.110(1)(c). 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. This discussion concluded at 4:44 pm and Mr. Clouse, Mr. Woody and Mr. Maresca left the executive session. The executive session continued for an additional 10 minutes for the purpose of considering a personnel matter, under RCW 42.30.110(1)(g), with the Commissioners, District Manager and District Attorney present. The executive session concluded at 4:52 p.m.

PUBLIC SESSION RESUMED

The meeting went into a short recess and resumed for public session at 4:54 p.m.

Commissioner Hale proposed adding a discussion and potential decision of a real estate matter to the agenda item for the November 9, 2021, special meeting of the Board. Commissioner Haines moved to add this item to the November 9 agenda. Commissioner Ricker seconded the motion and the motion passed.

Commissioner Hale concluded the meeting at 4:59 p.m.

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.

The next regular meeting of the Board will be on Tuesday, November 16, 2021, at 3:00 p.m. in a hybrid remote/in-person format.

Patricia M. Hale

Ron Ricker

Charlotte Haines