



MINUTES OF REGULAR MEETING OF THE BOARD OF COMMISSIONERS

November 16, 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

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

APPROVAL OF MINUTES

Commissioner Haines pointed out a typographical error in the November 2 regular meeting minutes as presented. Executive Assistant Theresa Harrington corrected the error. Commissioner Ricker made a motion to approve the corrected minutes of the November 2 regular meeting, the November 9 special meeting and the November 12 special meeting. Commissioner Haines seconded the motion. The motion passed and the commissioners signed the minutes.

APPROVAL OF VOUCHERS

Commissioner Hale moved to approve vouchers numbers 6445-6467 and 118140-118175 in the amount \$280,554.40 from the maintenance fund and vouchers number 670-671 in the amount of \$39,666.85 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

a. NCWD COVID-19 Response

Director of Finance Kern Maresca updated the Board on the District's efforts to contact customers in danger of shut-off due to lack of payment. Customer service staff have begun the process of calling all customers with past due balances of more than 120 days in order to provide them with information on financial assistance programs and payment plans. The goal of this outreach is to ensure customers are aware that the District will reinstate the assent of late fees and shut-offs after December 31, 2021 and to provide any and all available assistance to help customers bring their balances current. If a customer cannot be reached by phone, field crew will place a door hanger at the property instructing the customer to call the District.

NEW BUSINESS

a. 2021.11.39 Ratifying Agreement with Gallagher Benefit Services for Long Term Care Insurance

District Manager Diane Pottinger presented a resolution to ratify the agreement Gallagher Benefit Services to provide a Long Term Care Insurance option for District employees. Commissioner Ricker made a motion to approve the resolution. Commissioner Haines seconded the motion, which then passed unanimously. The Board and District Attorney signed the resolution.

b. 2021.11.40 Declaring Certain Property to be Surplus

District replaced Vehicle Unit # 2 with a new vehicle, which allows the District to surplus the no longer needed F-150 PU truck (Unit # 2). Director of Operations and Engineering Max Woody presented a resolution to declare the truck surplus and offer it for sale at James G. Murphy Auto Auction. Commissioner Ricker made a motion to approve the resolution. Commissioner Haines seconded the motion, which then passed unanimously. The Board and District Attorney signed the resolution.

c. 2021 Budget

In December of 2020 the Board passed Resolution 12.37.2020 approving the 2021-2023 Operating and Capital Budgets and the 2021 Wage Matrix. Director of Finance Kern Maresca will present an end of year budget review and forecast at the first Board Meeting in December and the Board will approve the 2022 Operating Budget, 2022 Wage Matrix and 2022-2031 Capital Improvement Budget at the second regular board meeting in December.

MANAGER REPORTS

a. Director of Finance

Director of Finance Kern Maresca reported work continues on the Washington State Auditor's office annual financial and bi-annual accountability audit. He also informed the Board that several employees took advantage of the District's annual vacation buyback program. Lastly, Mr. Maresca reminded everyone that it the open enrollment window for the District's insurance benefits programs closes on November 30.

b. Project Status Report/Director of Operations and Engineering

Incoming Director of Operations and Engineering Max Woody updated the Board on several ongoing capital projects

- **CIP 2021.01 - 2.0 MG Reservoir Work**

The repairs on the 2.0 MG Reservoir will commence later this year or early. District staff have patched the roof which was damaged in the November wind storms.

- **CIP 2021.03 - 30th Ave NE Service Lines Replacement Project–**

The meters have been set for the new service lines and District contractor Harkness Construction will begin trenching for this project this week.

- **CIP 2021.02 - 8" Water Main Replacement on 25th AVE NE**

The District is waiting on plans to review from project consultant DEA. Work is expected to commence in the spring.

- **GIS/Map Updates**

The District contracted with BHC Consultants to update the District maps to reflect all the projects since the map was last updated. A large wall map will be created to hang at the new maintenance facility.

- **Flexnet Update**

Mr. Woody will be meeting with Ferguson and Sensus next week and will have more updates for the Board at the next meeting.

Lastly, Mr. Woody thanked Mr. Clouse for his mentorship and wished him well in his retirement.

Mr. Clouse expressed his gratitude to the Board and staff for his years at North City Water District and expressed his confidence in Mr. Woody as the new Director of Operations and Engineering.

DISTRICT MANAGER

District Manager Diane Pottinger updated the Board on several items.

- **Small Works and Engineering Roster**

The District uses a single general small works roster from which the District solicits quotes and bids from contractors for projects under \$300,000 and an engineering services roster to solicit bids for required engineering services. A notice will be run in the Daily Journal of Commerce on November 17 and November 29 inviting contractors to apply to be on the District's 2022 Small Works and Engineering Rosters. Applications and submittals are due on December 10 and a resolution for approval of the rosters will be brought to the December 21st regular board meeting.

- **Contract with Faber Construction for Phase 3 of the New Maintenance Facility**
At the September 23rd regular meeting the Board approved Resolution 2021.09.33 awarding the contract for CIP #2012-09: Maintenance Facility Phase Three Construction to Faber construction. The signature page of the contract was inadvertently omitted from the attachments provided to this resolution in September. Faber has provided the signed contract for District signatures at this time. Commission Haines made a motion to approve the signing of the contract. Commissioner Ricker seconded the motion and the motion passed unanimously. Once signed, the fully executed contract will be added as an attachment to Resolution 2021.09.33.
- **Water System Extension Agreement Updates**
There are two WSEA agreements that are near closeout and awaiting final paperwork. WSEA 2019.05.20 with Evergreen Point Redmond, LLC is ready for close out. The District just needs to receive the final easement records. Additionally, WSEA 2018.03.09 with Shoreline Fire Department is ready to close. Ms. Pottinger hopes to bring both to the Board for approval in December.
- **SPU Contract Negotiations**
Ms. Pottinger updated the Board on the progress of the wholesale water purveyor contract negotiations with SPU. Ms. Pottinger has been involved in several meetings of the purveyor group and they are making progress. Another meeting will be scheduled in late November or early December. Lastly, Ms. Pottinger informed the Board that she may be asked to serve as Operating Board Chair until the negotiation process has been completed in early 2022.
- **Property Sale Update**
Ms. Pottinger reported District staff completed a review of the financial statements and discussions with the potential buyers of the old shop building and are ready to proceed with the proposed amendment to the property and sale agreement. District real estate counsel David Johnston has prepared updated amendment documents. Once documents have been reviewed and approved by both parties, a special meeting will need to be called for final approval by the Board.
- **Personnel Manual**
Ms. Pottinger reported that staff has not yet had the opportunity to review the updates to sections 3 & 4 of the District's Personnel Manual due to workload issues. Commissioners had previously called for a special meeting on November 30 to review these sections of the manual. Ms. Pottinger proposed cancelling the November 30 special meeting. Sections 3 & 4 and Sections 7 & 8 of the manual will be reviewed at the December 14 special meeting. Commissioner Hale made a motion to cancel the November 30 special meeting. Commissioner Ricker seconded the motion and the motion passed unanimously.

Lastly, Ms. Pottinger informed the Board she plans to take vacation from December 20-24, but will call in for the December 21 regular meeting.

COMMISSIONER REPORTS

Commissioner Haines reported on her attendance at the WASWD Section IV meeting, the award presentation to Sen. Frock at the new maintenance facility and the SPU Operating Board Meeting.

Commissioner Ricker reported on his attendance at the WASWD Section IV meeting, the award presentation to Sen. Frock at the new maintenance facility and the SPU Operating Board Meeting. Additionally, he shared an historical write up he completed to assist with the District's 90th Birthday celebration.

Commissioner Hale reported on her attendance at the WASWD Section IV meeting, the award presentation to Sen. Frock at the new maintenance facility and the SPU Operating Board Meeting.

LEGAL REPORT

District Attorney Joe Bennett updated the board on several topics discussed at the WASWD attorney group meeting.

- The attorney group discussed in detail the prevailing wage issue related to water/sewer projects where workers (pipe layers, flaggers, etc.) should be paid at plumber's wages. The issue will go before the Administrative Law Judge for consideration. Briefs are due to the ALJ by December 6. The WASWD attorney group is monitoring the situation and Mr.

Bennett will keep the Board informed as the issue develops.

- In December 2020, the Washington State Supreme Court upheld the validity of the portion of King County's ordinance that requires electric, gas, water, and sewer utilities to pay franchise compensation in exchange for the right to use the County's road rights-of-way. The issue continues to move through the court systems. Equity in the rental formula is the current issue under legal consideration by the King County Trial Court. Mr. Bennett will keep the Board informed on any new developments.
- A survey of the WASWD attorneys group indicated that most utilities are taking a soft approach to reinstating late fees and shut offs. Over half of the utilities represented extended the deadline to the end of the year.

Commissioner Hale asked for an update on the efforts to get ATT to pay their overdue electric bills. Mr. Bennett reported they are working on a resolution.

On a final note, the Board of Commissioners expressed their thanks to outgoing Director of Operations and Engineering Denny Clouse for his services to North City Water District and wished him well in his retirement.

Commissioner Hale concluded the meeting at 5:07 p.m.

The next regular meeting of the Board will be on Tuesday, December 7, 2021, at 3:00 p.m. in a hybrid remote/in-person format.

Patricia M. Hale

Ron Ricker

Charlotte Haines