



MINUTES OF SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

December 17, 2019

The meeting was called to order at 2:00 p.m. by Board President Ron Ricker in the North City Water District Board Room.

Commissioners Present

Commissioner Ron Ricker
Commissioner Charlotte Haines
Commissioner Patricia Hale (arrived at 2:21 p.m.)

Staff Present

Diane Pottinger, District Manager
Denny Clouse, Operations Manager
Amalia Mostrales, Finance Manager
Theresa Harrington, Executive Assistant
Joe Bennett, District Attorney (arrived at 2:45 p.m.)

EXIT CONFERENCE WITH THE STATE AUDITOR

Sheri Campbell and Haji Adams from the State Auditor's office attended the audit exit interview. This year both a financial and accountability audit were conducted. North City Water District received two clean audits with no findings or management letters. Ms. Campbell and Mr. Adams reviewed the audit report and audit highlights and provided exit items for management's considerations. The audit in 2020 will be a financial audit only and is scheduled for October. District Manager Diane Pottinger requested that the audit be moved up to September so that it can be complete in time to comply with Moody's deadline. The auditors agreed to adjust the schedule. The Board thanked the auditors and they departed the meeting at 2:22 p.m.

Commissioner Ricker called a brief recess. The meeting reconvened at 2:46 p.m.

PUBLIC COMMENT

None at this time

OATH OF OFFICE PATRICIA M. HALE

Patricia M. Hale was sworn into office as North City Water District Commissioner Position 2. Ms. Hale recited the oath of office before the District Attorney Joe Bennett and notary public, Theresa Harrington—who then notarized Ms. Hale's signature on the oath.

APPROVAL AND/OR ADJUSTMENTS TO AGENDA

District Manager Diane Pottinger requested that the following two items be added to the agenda under new business.

- g. Furniture Order for Maintenance Facility
- h. Springbrook Upgrade

Commissioner Haines made a motion to approve the agenda as amended. Commissioner Hale seconded the motion and the motion passed.

APPROVAL OF MINUTES

Commissioner Haines identified a typographical error in the draft minutes, which was corrected. Commissioner Hale made a motion to approve the minutes from the December 3 regular meeting as corrected. Commissioner Haines seconded the motion. The motion passed and the commissioners signed the corrected minutes.

APPROVAL OF VOUCHERS

Commissioner Hale moved to approve vouchers numbers 5663-5680 and 116233-116251 and 116253-116293 in the amount \$172,738.69 from the maintenance fund and vouchers number 464-468 in the amount of \$29,518.37 from the capital fund. Commissioner Ricker seconded the motion, which passed unanimously. The commissioners signed the vouchers.

OLD BUSINESS

None at this time.

NEW BUSINESS

a. Resolution 2019.12.39 Setting the Regular Board Meeting Dates and Times for 2020

District Manager presented a resolution to approve the regular board meeting dates for 2020. The board will meet on the first and third Tuesdays of every month with the following exceptions;

Tuesday June 23rd instead of Tuesday June 16th
Monday August 17th instead of Tuesday, August 18th
Monday September 14th instead of Tuesday, September 15th

Commissioner Haines made a motion to approve the resolution, which was seconded by Commissioner Hale and approved by the board. The Board and District Attorney signed the resolution.

b. Resolution 2019.12.40 Acknowledging Completion of Flatstick LLC WSEA

District Manager Diane Pottinger reported on the completion of the WSEA project by Flatstick to relocate a fire hydrant. Ms. Pottinger provided the Board with the bill of sale for the hydrant. Flatstick is due a refund of \$8,173.50 from their original deposit. Commissioner Haines made a motion to approve the resolution, which was seconded by Commissioner Ricker and approved by the Board. The Board and District Attorney signed the resolution.

c. Approval of Voucher 116252 for \$8173.50

District Manager Diane Pottinger presented voucher 116252 in the amount of \$8,173.50 to the board. This is the refund of the remainder of the deposit on the Flatstick WSEA. Commissioner Hale made a motion to approve the voucher which was seconded by Commissioner Haines and approved by the Board. The Board signed the voucher.

d. Resolution 2019.12.41 Approving Change in Contract No 2 for CIP 2012-09

District Manger Diane Pottinger reported that the mid-year budget review revealed available funds to move forward with a portion of Alternative #3 for the new maintenance facility contract. Funds would cover the extension of the concrete slabs and footings for an additional future building expansion. Ms. Pottinger presented the Board with a resolution approving change in contract No. 2 for CIP 2012-09 to approve this addition to the contract. Commissioner Haines made a motion to approve the resolution, which was seconded by Commissioner Hale and approved by the Board. The Board and the District Attorney signed the resolution.

e. Resolution 2019.12.42 Adopting the District 2020-2022 Operating Budget , 2020 Wage Matrix and the 2020-2032 Capital Budget.

The Board of Commissioners reviewed the 2020-2022 Operating Budget, 2020 Wage Matrix and the 2020-2032 Capital Budget. Commissioner Haines made a motion to approve the resolution which was seconded by Commissioner Hale and approved by the board. The board and District Attorney signed the resolution.

f. Resolution 2019.12.43 Amending and Superseding Appendix 3A of the North City Water District Code.

Executive Assistant Theresa Harrington identified a typo in the resolution number as presented in the packet and distributed a corrected copy. Commissioner Haines made a motion to approve the resolution, which was seconded by Commissioner Hale and approved by the Board. The Board and District Attorney signed the resolution.

g. Springbrook Upgrade

District Manager Diane Pottinger and Finance Manager Amalia Mostrales updated the Board on the status of the Springbrook financial software upgrade and discussed the pros and cons of upgrading to version 7.18 or the cloud version. After careful consideration of the costs and benefits it was agreed that migrating to the cloud version was most beneficial. Commissioner Haines moved to approve the upgrade to the cloud version of Springbrook and to approve the addition of the inventory and work order modules. Commissioner Hale seconded the motion and the motion passed. The Board directed the District Manager to execute the purchase.

h. Furniture Order for the New Maintenance Facility

District Manager Diane Pottinger provided the Board with photos of the selections that were made for furnishings for the New Maintenance Facility. Commissioner Haines moved to approve the purchase of furnishings for the New Maintenance Facility. Commissioner Ricker seconded the motion and the motion passed. The board directed the District Manager to make the purchase as presented.

MANAGER REPORTS

a. Finance Manager

Finance Manager Amalia Mostrales updated the board on changes to the payroll taxes in 2020. She also reported that the District received notification from the City of Shoreline that the District needs to pay the city B & O tax. It appeared though, that the form letter was just that. As a public utility, the District currently pays a franchise fee to the City of Shoreline and pays the Department of Revenue a B & O tax. The District Attorney and District Manager will follow up on this discussion and report back to the board at the next meeting.

b. Project Status Report/Operation Manager

Operations Manager Denny Clouse reported that the District has received the permit for the metal building portion of the new maintenance facility building so construction can continue. The electrical and mechanical work has been roughed in and the insulation is installed on the crew's portion of the building. Sheetrock should be installed after the first of the year. Mr. Clouse updated the board on current WSEA projects. The water system improvements at the Kellogg school have passed the pressure and chlorination tests. They should be ready to tie in after the first of the year for the onsite work, however, no work has started on the offsite project. Finally, Mr. Clouse reported that there was a main break over the weekend. The crew used the new decant facility at the new maintenance facility site several times and it worked well.

c. District Manager

District Manager Diane Pottinger reported she and Mr. Clouse are working with CHS to complete the Water System Plan and will bring a draft to the Board for review at the January meetings. She also reported that AT&T has not paid their electric bill since 2016. Ms. Pottinger is working with the District Attorney to collect the overdue payments. Ms. Pottinger discussed the section IV invoice for consulting services and how it will be a topic at the January Section IV meeting, Ms. Pottinger informed the Board that there are three properties on 177th with meters that were incorrectly plumbed by the developers in 2004. The meters were attached to the incorrect houses, resulting in incorrect billing for these three house for the past 15 years. One homeowner suspected a problem with the meter in 2017 and reported it to the District, but the District did not find a problem with the meter at the time. The District identified the problem with the meter in November of 2019. Now that the problem has been identified, the District must arrive at a fair way to refund/charge these properties. The District Attorney recommended going back three years from 2017 when the property owner reported the problem to recalculate appropriate billing for each property based on the statute of limitations. The District did an analysis of the bills. Two of the properties are owed a refund by the District and the third property will owe an outstanding balance for underpayment. The property owners have been informed and pay arrangements are in the process of being set up for the owner owing the District. Ms. Pottinger reported that the AWIA Risk Assessment and Emergency Response Updates will be discussed the week of April 20-24 at a special meeting of the Operating Board. Finally, Ms. Pottinger reported that the office will be closing at 12:00 p.m. on December 24th and will be closed all day December 25th in observance of the holiday. The District offices will also be closed all day on January 1st in observance of the New Year's holiday.

COMMISSIONER REPORTS

Commissioner Hale reported on the recent DSHS planning commission meetings where there were discussions about the Fircrest Master Plan. She reported that DSHS will be presenting at the Planning Commission meeting on December 17th on the Fircrest Master plans.

Commissioner Haines reported on her attendance at the City of Kenmore/LFP 46th Legislative District send-off meeting that she and Commissioner Ricker attended.

Commissioner Ricker reporting several WASWD Committee meetings. WASWD has issued notes on the bill prepared by Representative Pollet that has direct impacts on special purpose districts.

LEGAL REPORT

District Attorney Joe Bennett reported that responses to the amicus briefs filed in the Lakehaven case are due on December 27th. Oral arguments at the State Supreme Court are scheduled for January 16, 2020. Mr. Bennett will report back to the board at the January 21st meeting about the hearing.

EXECUTIVE SESSION

The Board went into executive session 4:27 p.m. per RCW 42.30.110 (1)(g) to conduct the District Manager's annual review for 10 minutes. District Attorney Joe Bennet, the commissioners and District Manager Diane Pottinger were present. The session was extending for 25 minutes at 4:37 p.m. The Board came out of executive session at 5:05 p.m. and the meeting was immediately adjourned.

The next regular meeting will be Tuesday, January 7th, 2019 at 3:00 p.m.

Ronald Ricker

Charlotte Haines

Patricia M. Hale