

# Dockton Water Association Board Meeting

Monday, July 23, 2018

7:00 PM

Water Office: 9710 SW Windmill Street

## Minutes

### CALL TO ORDER:

- 7:01 1. Present: Hooper, Paul, Kelly, Darton, Tanya, Sheila and Dave Hooper  
Excused: Kai
- 7:02 2. Met required number of Directors present for a quorum Hooper

### CONSENT ITEMS:

- 7:03 3. APPROVED contents and order of agenda Hooper
- 7:04 4. APPROVED minutes for the May 28 and June 16 meeting Hooper

### INFORMATION ITEMS:

- 7:05 5. *OPERATOR'S REPORT* Dave
- a. 97<sup>th</sup> & Windmill Project: Project is very near completion. A leaky valve is prohibiting pressurization and testing of a newly installed pipe. Board APPROVED Dave to order new value.
  - b. Power outage failure at Sandy Shores: Puget Sound Energy reset a breaker on the pole. Outage caused by squirrel electrocution.
  - c. Negotiations with King County over tree removal: No negotiations at this point. We have responded to King County's request for information and are awaiting their response.
  - d. Sanitary Survey: The inspection went well. Only minor repairs identified (e.g. screens on vents, etc.) and a recommendation to install a generator at the booster station. Board APPROVED adding a generator to the Capital Improvement Plan. Timing will be dependent on cost and will be budgeted accordingly.
- 7:20 6. *PRESIDENT'S REPORT* Hooper
- a. Open action items
    - 1) Status of Steve Andrus memorial bench (Paul): Paul has submitted photos to King County showing suggested locations.
    - 2) Bylaws updated to include and/or footnote amendments from June 24, 2017 (Kelly): A closer look is required. Kelly thought the bylaws posted to the website might be an older version.
    - 3) Status of franchise fee (Kelly). Motion for summary judgment hearing is scheduled for Friday, July 27 at 10a.
  - b. Hake easement: Hooper presented an easement agreement to McGrory and Rucker, along with an offer to reimburse reasonable attorney fees to review the easement agreement. The homeowners plan to hire a common attorney.
  - c. Office/Boardroom remodel contract: Remodel has been put on the back burner. Roof leak has been identified. Next step is to obtain an estimate to dry in the roof to eliminate leaks.

7:35 7. COMMITTEE REPORTS Darton

a. Planning and Capital Improvements

- 1) Bid package for Sandy Shores filtration project: Darton and Paul will review King County's permitted plans and will determine if they have the time and scope of knowledge to put together a bid package.
- 2) System map project: Darton designed and printed a new system map. Dave to review and submit any required updates to Darton.
- 3) Capital Improvement Plan: The addition of a generator at the booster station will require reprioritizing the CIP.

b. FINANCE Todd

- 1) Year-end budget report: The year-end report will be published within the next few days. No big surprises! Currently we have ~\$48K more in the bank than we have on the books, which is likely the result of an unrecorded activity(s) in the distant past or how the sale of membership shares are recorded. The Board APPROVED that an adjustment in July will be made to reconcile the bank account balance with what is on the books. The monies resulting in the reconciliation of balances will be contributed to the Capital Improvement funds.
- 2) May Financials: Results are inline with our budget and our end-of-year forecast. (see attached)

c. WATER PRODUCTION Paul

- 1) Progress in bringing new well points on line: Water samples were sent to a new lab and there is no longer evidence of gel in the water, however traces of algae were found. On a scale between 0-100, algae was measured at 14. A score between 10-25 requires treatment. Algae is likely a result of surface water intrusion. Pending the receipt and review of all previous lab reports initiated by NW, no major commitments in funds will be made to bring the new wells on line without board approval.
- 2) Easement on wells encroaching on King County property: Paul has not received a final reading from Duncan Greene, but does not anticipate an issue.

**DISCUSSION ITEMS:**

8.35 8. a. Emergency Response Contractor: Hooper

- 1) Should we renew Zellerhoff Construction's contract; and, if so, with what terms? (Directors' Policies X.2): The board APPROVED renegotiating its contract terms with Zellerhoff Construction. The board also AGREED it will contract with additional contractor(s) to expand capacity and facilitate working knowledge of DWA's system.

**Due to time constraints, the below discussion items will be moved to the August agenda**

b. Serving Summerhurst Walk: Kelly

- 1) Now that we have a new alignment down 319, what changes should we make in the plan to serve the north end of Summerhurst Walk?

- 2) Should we consider alternative alignments to serve the south end of Summerhurst Walk?
- c. Exception/revision to Directors' Policies II.4: Kelly
  - 1) Should we allow 319 to delay commitment to her new main until we have a bid from a contractor for the cost?
- d. Revision to Bylaws 1.10: Sheila
  - 1) Should monthly meetings that fall on a national holiday be held on the next business day?
  - 2) Should the annual meeting be moved to a non-holiday weekend?
- e. Cleaning Catch Basin Kelly
  - 1) Should we shift the responsibility of cleaning the catch basin from DWA's Operator to LiquiVision? Biennial cost is shy of \$5K.

**OTHER BUSINESS:**

- 9:00 9. What did we decide? Sheila
- Dave: Order leaky value, gather estimates for generator at the booster station, provide system map updates to Darton, reach out to NW for pending test results and all past test reports.  
 Hooper: Obtain roof repair bid.  
 Darton: Review King County approved plans and make recommendation on who develops the bid package.  
 Sheila: Send suggested contract renewal edits to Kelly.
- 9:05 10. Next meeting: August 27 Hooper

**ADJOURN**

2017-2018 Fiscal Year		MAY 2018		vs Current Month and YTD Budgets		
Operations	Actual	Budget	Variance	YTD	Budget	Variance
<b>Beginning Balance</b>	\$ 37,750	\$ 23,553	60%	\$ 20,655	\$ 14,456	43%
<b>Income:</b>						
Payments Received	\$ 16,817	\$ 17,320	-3%	\$ 200,321	\$ 203,550	-2%
<b>Costs:</b>						
Administrative Expense:	\$ (12,022)	\$ (5,471)	120%	\$ (60,833)	\$ (61,913)	-2%
Operations Expenses	\$ (5,518)	\$ (6,675)	-17%	\$ (67,674)	\$ (73,425)	-8%
Taxes and Fees	\$ (1,393)	\$ (730)	91%	\$ (15,166)	\$ (13,005)	17%
Transfer to Sys Replace <sup>1</sup>	\$ (4,167)	\$ (4,167)	0%	\$ (45,837)	\$ (45,833)	0%
<b>Net Change</b>	\$ (6,283)	\$ 277	-2367%	\$ 10,811	\$ 9,375	15%
<b>Current Balance</b>	\$ 31,467	\$ 23,831	32%	\$ 31,466	\$ 23,831	32%

Replacement Reserves	Actual	Budget	Variance	YTD	Budget	Variance
<b>Beginning Balance</b>	\$ 242,175	\$ 163,207	48%	\$ 314,581	\$ 316,540	-1%
<b>Income:</b>						
From Operations	\$ 4,167	\$ 4,167	0%	\$ 45,837	\$ 45,834	0%
<b>Costs:</b>						
Meter Replacement	\$ -	\$ -		\$ (25)	\$ (2,500)	
97th & Windmill	\$ (1,195)	\$ -		\$ (84,940)	\$ (165,000)	-49%
Other Scheduled Project	\$ -	\$ -		\$ (7,767)	\$ (20,000)	-61%
Unscheduled Costs	\$ -	\$ (750)	-100%	\$ (22,539)	\$ (8,250)	173%
<b>Net Change</b>	\$ 2,972	\$ 3,417	-13%	\$ (69,434)	\$ (149,916)	-54%
<b>Current Balance</b>	\$ 245,147	\$ 166,624	47%	\$ 245,147	\$ 166,624	47%

Improvement Reserves	Actual	Budget	Variance	YTD	Budget	Variance
<b>Beginning Balance</b>	\$ 249,336	\$ 154,650	61%	\$ 327,692	\$ 334,150	-2%
<b>Income:</b>						
Reserve Base Charges	\$ 1,324	\$ 1,267	5%	\$ 13,348	\$ 13,933	-4%
Capital Charges	\$ 5,540	\$ 5,533	0%	\$ 62,698	\$ 60,867	3%
<b>Costs:</b>						
State Loan Payments	\$ -	\$ -		\$ (31,718)	\$ (32,000)	-1%
97th & Windmill	\$ -	\$ -		\$ (58,213)	\$ (45,000)	29%
Sandy Shores Filtration	\$ (4,778)	\$ (20,000)		\$ (40,714)	\$ (165,000)	-75%
Other Scheduled Project	\$ -	\$ -		\$ (17,491)	\$ (23,000)	-24%
Other Outlays	\$ (1,000)	\$ -		\$ (5,180)	\$ (2,500)	
<b>Net Change</b>	\$ 1,086	\$ (13,200)	-108%	\$ (77,271)	\$ (192,700)	-60%
<b>Current Balance</b>	\$ 250,422	\$ 141,450	77%	\$ 250,421	\$ 141,450	77%

#### MAY NOTES:

- <sup>1</sup> Annual Insurance paid in May (but budgeted for June)
- <sup>2</sup> Variance for Fees also just timing (vs budgeted for June)
- <sup>3</sup> "Loss" for May due to timing of some expenses. Good on YTD basis
- <sup>4</sup> Upcoming transfer to Improvement Reserves will reduce this high balance
- <sup>5</sup> Invested only 1/2 of planned Replacement capital
- <sup>6</sup> Invested less than 1/2 of planned Improvement capital
- <sup>7</sup> High balance in Total Funds is dry powder (for Filtration..)

Current Fund Balances	Actual	Budget
Operations	\$ 31,466	\$ 23,831
System Replacement	\$ 245,147	\$ 166,624
Capital Improvement	\$ 250,421	\$ 141,450
Contingency Reserve	\$ 78,400	\$ 78,400
<b>Total Funds</b>	<b>\$ 605,434</b>	<b>\$ 410,304</b>

\*This variance primarily due to project delays

Current Bank Balances	Actual	Budget
US Bank (on Vashon)	\$ 260,309	
Chase (on Vashon)	\$ 393,513	
<b>Total Funds</b>	<b>\$ 653,822</b>	

\*Cash in the bank exceeds Cash tracked by the books