

# Dockton Water Association

## BOARD MEETING

Saturday, April 27<sup>th</sup>, 2019

10:00 AM

Water Office 9710 SW Windmill Street

Minutes (in green)

### CALL TO ORDER:

1. Welcome Hooper
2. Quorum? Paul, Tanya, Todd, Hooper, Sheila by phone  
Hooper  
Guests: Kelly Robinson

### CONSENT ITEMS:

3. Approve contents and order of the agenda Approved Hooper
4. Approve minutes of the March 23, 2019 meeting Approved  
Hooper

### INFORMATION ITEMS:

5. Dave's Report Dave  
Recent work taking water samples; looking for nitrates (best indicator of trouble)  
Problems with deadbeat accounts: some accounts many months in arrears. It was suggested that we should make a presentation to the membership at the annual meeting for guidance.

6. President's Report Hooper
  - a. Status of work on the new office/boardroom: Left messages with Carlos regarding award of contract, but no response was forthcoming. Dave has offered to work with Hooper to try to get the work done. Paul suggested that we get electrical work done first to simplify the rest. Hooper will set up meeting with Jeff of Vashon Electric for a Friday, so that Paul can be present.
  - b. Member Feedback and Outreach: Sheila has been posting to Nextdoor online, encouraging members to get interested in DWA and to come to Board meetings. No objections from Board members. Hooper agreed to post draft agendas to website approximately one week before each meeting. Someone suggested asking for member email addresses, so that they could be notified in cases of emergency.

### 7. Committee Reports

**a. Finance Committee**

Todd

There was discussion about whether or not to transfer the full \$50,000 from the Operations Fund to the Capital fund. All were in favor.

- 1). March Budget Report (See Report at the end of these minutes.)
- 2). Draft budget for 2019/2020. (See Draft budgets at the end of these minutes.)

**b. Water Production Committee**

Paul

We have been having great difficulty getting assistance bringing our troubled wells back on line using NWS. Paul will seek out alternative assistance from Washington Water Service.

**c. CIP and Planning Committee**

Darton

No report this month.

**Carryover Items from March:**

8. Kelly's work vs Kelly's special projects: should they be separate Hooper  
Kelly's work is diminishing fast. Todd has allowed a generous amount in the budget for the coming year. No one felt that we needed to keep track of special projects. No funds included in next year's budget for Kelly, although if we need that money, it could be made available.

9. Report on Contract Committee

Paul

Paul will send draft contract to Hooper to forward to Duncan. Vote on contract next month.

10. Board vacancies are out of sync - 2 this year, 5 next year  
Board felt that no action needed to be taken.

Hooper

11. Shifting billing/meter reading cycle, aligning staff and freeing up Dave on weekends. Sheila  
Postponed until next month.

12. Water Purveyors' Group

Hooper

Kelly will get contact information for other water utilities to Hooper.

13. Grant money proposal

Tanya

Tanya will look into possible grants for the Sandy Shores filtration plant.

**DISCUSSION ITEMS:**

14. What is DWA's Fire Flow policy and how does that affect share 319

Paul

Fire Flow policy in transition at VFW, and we will track new changes. In meantime we will build to highest standards. Meanwhile, owners of 319 and others must comply with Board Policies as publicly specified.

15. Cross Connection policy  
No progress at this time.

Dave, Tanya, Kai

16. Memorial Bench Ordered?

Paul

Original source reneged on shipping charges. We are now seeking new source. Paul will call Al Stover.

17. Who will lead Emergency Water Availability project? Apparently we do not need to make this a special project. We can already provide emergency water to the public.

### **OTHER BUSINESS:**

18. What did we decide?

Hooper

- Hooper and Dave to work on presentation to membership about possible actions for deadbeat accounts.
- Hooper will set up Friday meeting with Jeff of Vashon Electric
- Hooper will post draft agendas on website approximately one week before meetings.
- Paul will enquire with Washington Water Services.
- Paul will send new contract to Hooper.
- Kelly will send water purveyor contact information to Hooper.
- Paul will call Al Stover about memorial bench.

19. Next Board meeting: Saturday, May 18th, 2019. **Note: this is a special scheduling to avoid the Memorial Day weekend. Normally, we meet on the 4<sup>th</sup> Saturday of each month as published on the website. Do we need to change this normal schedule?**

### **ADJOURN**

See additional pages for Financial Reports. ↓↓

MARCH 2019						
Operations	Actual	Month Budget	Variance	Actual	Year-to-Date Budget	Variance
<b>Beginning Balance</b>	\$ 31,833	\$ 9,495	235%	\$ 24,172	\$ 23,000	5%
<b>Income:</b>						
Payments Received	\$ 15,732	\$ 17,300	-9%	\$ 167,611	\$ 167,580	0%
<b>Costs:</b>						
Staffing and Contract S	\$ (9,378)	\$ (7,750)	21%	\$ (70,573)	\$ (69,750)	1%
Business Operations	\$ (1,811)	\$ (1,563)	16%	\$ (20,472)	\$ (19,396)	6%
System Operations	\$ (5,639)	\$ (3,167)	78%	\$ (27,203)	\$ (28,500)	-5%
Taxes and Fees	\$ (551)	\$ (3,680)	-65%	\$ (10,013)	\$ (28,965)	-65%
Transfer to Capital Fund	\$ (4,167)	\$ (4,167)	0%	\$ (37,503)	\$ (37,500)	0%
<b>Net Change</b>	\$ (5,814)	\$ (3,026)	92%	\$ 1,847	\$ (16,531)	-111%
<b>Ending Balance</b>	\$ 26,019	\$ 6,469	302%	\$ 26,019	\$ 6,469	302%
<b>Replacement Reserves</b>	Month Actual			YTD Actual	Annual Budget	% Complete
<b>Beginning Balance</b>	\$ 188,491			\$ 265,140	\$ 249,300	
<b>Income:</b>						
From Operations	\$ 4,167			\$ 37,504	\$ 50,000	75%
<b>Costs:</b>						
Meter Replacement	\$ -			\$ (4,111)	\$ (3,000)	137%
97th & Windmill	\$ -			\$ (91,505)	\$ (60,000)	152%
Hake to Manzanita	\$ -			\$ (4,351)	\$ (50,000)	9%
Other Scheduled Project	\$ (127)			\$ (6,466)	\$ (15,000)	43%
Unscheduled Costs	\$ -			\$ (4,059)	\$ (9,000)	45%
<b>Total Costs</b>	\$ (127)			\$ (110,492)	\$ (137,000)	81%
<b>Ending Balance</b>	\$ 192,531			\$ 192,152	\$ 162,300	118%
<b>Improvement Reserves</b>						
<b>Beginning Balance</b>	\$ 293,796			\$ 290,137	\$ 266,500	
<b>Income:</b>						
Reserve Base Charges	\$ 1,482			\$ 13,210	\$ 15,600	85%
Capital Charges	\$ 5,640			\$ 50,760	\$ 69,400	73%
New Shares/ hookup	\$ 2,713			\$ 16,952	\$ -	
<b>Costs:</b>						
State Loan Payments	\$ -			\$ (30,772)	\$ (32,000)	96%
Service Connections	\$ (1,917)			\$ (9,368)	\$ -	
97th & Windmill	\$ -			\$ (8,797)	\$ -	
Sandy Shores Filtration	\$ (1,435)			\$ (7,743)	\$ (180,000)	4%
Other Scheduled Project	\$ -			\$ -	\$ (13,000)	0%
Other Capital Outlays	\$ -			\$ (2,909)	\$ (3,000)	97%
<b>Total Costs</b>	\$ (3,352)			\$ (59,588)	\$ (228,000)	26%
<b>Ending Balance</b>	\$ 300,279			\$ 311,470	\$ 123,500	252%

#### March NOTES:

- <sup>1</sup> Lower bookings than planned in March. On track for year.
- <sup>2</sup> Higher staffing cost, as planned. YTD OK.
- <sup>3</sup> Includes final setup fee with HR consultancy
- <sup>4</sup> Wammy of 99th leak, Tree remediation, new generator
- <sup>5</sup> Difference is the budgeted KingCo Franchise tax
- <sup>6</sup> Net result is a high cost month
- <sup>7</sup> Still way ahead of expected ending balance
- <sup>8</sup> This budget will not be spent
- <sup>9</sup> Remaining budget for Springs Flow and Office
- <sup>10</sup> Balance will continue to increase thru end of year
- <sup>11</sup> Had not budgeted for more materials
- <sup>12</sup> "Other" costs have reached original budget
- <sup>13</sup> Fund balance likely increase thru EOY
- <sup>14</sup> Outstanding checks and receivables collected

Current Fund Balance	31-Mar
Operations	\$ 26,019
System Replacement	\$ 192,152
Capital Improvement	\$ 311,470
Contingency Reserve	\$ 78,400
<b>Total Funds</b>	\$ 608,041

Current Bank Balance	31-Mar
US Bank (on Vashon)	\$ 216,272
Chase (on Vashon)	\$ 393,651
Reconciliation	\$ (1,882) <sup>14</sup>
<b>Total Funds</b>	\$ 608,041

**Dockton Water Association**  
**DRAFT: Proposed OPERATING Budget - '19/'20**

OPERATING BUDGET	Prior Year 2017-18	Current Year 2018-19	Current Year 2018-19	% Var from	Proposed 2019-20	% Var from
	Actual	Budget	Fcst Actual	Bdgt	Budget	Forecast
<b>Beginning Fund Balance:</b>	20,655	23,000	24,172	5%	19,500	-19%
<b>Income:</b>						
Water Sales	207,820	211,500	212,355	0%	215,000	1%
State Utility Excise Taxes	10,583	10,700	10,654	0%	10,600	1%
Other Income/Interest	-	200	400	100%	300	-25%
<b>Total Operating Income</b>	<b>218,403</b>	<b>222,400</b>	<b>223,442</b>	<b>0%</b>	<b>226,100</b>	<b>1%</b>
<b>Operating Expenses</b>						
Total Staffing	65,035	93,000	96,600	4%	103,000	7%
Business Operations:						
Legal services	1,947	3,000	7,571	152%	4,000	-47%
Accounting services	2,864	4,000	4,484	12%	3,500	-22%
Communications & IT	2,961	2,800	5,620	100%	5,000	-14%
Insurance	6,771	7,000	6,900	-1%	7,500	9%
Office supplies and services	2,703	2,000	1,913	-4%	1,500	-22%
Postage (including meter rental)	3,571	4,000	3,198	-20%	3,500	8%
Other Administrative costs (including training)	343	750	393	-45%	500	27%
Total Business Operations	21,160	23,550	30,279	29%	25,500	-16%
System Operations:						
Engineering services	625	500	1,246	149%	2,000	61%
Water Quality Testing	2,566	2,000	2,052	3%	2,000	-3%
Electricity and Propane	10,140	11,000	13,002	18%	11,500	-12%
Water Treatment Chemicals	999	1,500	1,565	6%	1,500	-5%
Shop supplies and parts	4,789	3,500	4,277	22%	4,000	-6%
Unscheduled Maintenance	6,863	15,000	9,650	-34%	15,000	52%
Building and grounds maintenance	6,909	4,500	3,099	-13%	4,000	3%
Total System Operations	32,977	38,000	35,911	-5%	40,000	11%
Taxes Licenses and Fees	10,797	15,200	15,261	0%	15,500	2%
County Right of Way	-	24,000	-	-	12,000	100%
<b>Total Operating Expenses</b>	<b>155,969</b>	<b>193,750</b>	<b>178,091</b>	<b>-8%</b>	<b>196,000</b>	<b>10%</b>
<b>Operating Profit (Loss):</b>	<b>62,434</b>	<b>28,650</b>	<b>45,391</b>	<b>58%</b>	<b>30,100</b>	<b>-34%</b>
<b>Net Available Funds</b>	<b>83,089</b>	<b>51,650</b>	<b>69,563</b>	<b>35%</b>	<b>49,600</b>	<b>0%</b>
Transfer to Capital Reserves	65,004	50,000	50,000	0%	50,000	0%
<b>Ending Fund Balance:</b>	<b>18,085</b>	<b>1,650</b>	<b>19,563</b>	<b>1086%</b>	<b>(400)</b>	<b>-102%</b>

**NOTES**

- <sup>1</sup> Sort year with slightly less cash in Fund  
<sup>2</sup> Anticipated higher payroll costs  
<sup>3</sup> Decreased "Business" costs  
<sup>4</sup> Increased "System" costs, primarily the \$15k bdgt for maintenance  
<sup>5</sup> Budgeting less for Franchise Fee -- potential for "credits"  
<sup>6</sup> Fcst Profit > Budget is due to no pay Franchise Fee

**Dockton Water Association**  
**DRAFT: Proposed 2019-20 CAPITAL Budget**

**CAPITAL FUNDS BUDGETS**

<b>SYSTEM REPLACEMENT RESERVES</b>	<b>Prior Year 2017-18 Actual</b>	<b>Current Year 2018-19 Budget</b>	<b>Current Year 2018-19 Fctst Actual</b>	<b>% Var from Bdgt</b>	<b>Proposed 2019-20 Budget</b>
<b>Beginning Fund Balance:</b>	<b>314,581</b>	<b>249,300</b>	<b>265,140</b>	<b>6%</b>	<b>202,000</b>
<b>EXPENDITURES:</b>					
Meter Replacement Program	1,978	3,000	4,000	33%	3,000
97th/Windmill Upgrade	85,571	60,000	91,505	53%	
Hake to Manzanita Connection		50,000	4,351	-91%	
Dockton Springs Quality and Flow	7,767	5,000	6,000	20%	
Office and Board Room remodel		10,000	881	-91%	15,000
Unscheduled Replacement Costs	22,592	9,000	6,000	-33%	9,000
<b>TOTAL EXPENDITURES:</b>	<b>117,908</b>	<b>137,000</b>	<b>112,737</b>	<b>-18%</b>	<b>27,000</b>
Transfer from Operations Fund	50,004	50,000	50,004	0%	50,000
<b>Ending Fund Balance</b>	<b>246,677</b>	<b>162,300</b>	<b>202,407</b>	<b>25%</b>	<b>225,000</b>

**NOTES**

- <sup>1</sup> Much lower planned Replacement investments  
<sup>2</sup> Enable distribution of water during emergency  
<sup>3</sup> Early costs that fall into '19/'20 fiscal year  
<sup>4</sup> Fund is "low" prior to future (Filtration) costs

<b>CAPITAL IMPROVEMENT RESERVES</b>	<b>Prior Year 2017-18 Actual</b>	<b>Current Year 2018-19 Budget</b>	<b>Current Year 2018-19 Fctst Actual</b>	<b>% Var from Bdgt</b>	<b>Proposed 2019-20 Budget</b>
<b>Beginning Fund Balance:</b>	<b>327,692</b>	<b>266,500</b>	<b>290,137</b>	<b>9%</b>	<b>316,000</b>
Reserve Account base charges	14,575	15,600	17,524	12%	17,400
Capital charges	68,152	69,400	67,680	-2%	67,680
<b>Total Available Funds:</b>	<b>410,419</b>	<b>351,500</b>	<b>375,341</b>	<b>7%</b>	<b>401,080</b>
<b>EXPENDITURES</b>					
State Loan Payments	31,718	32,000	30,772	-4%	31,000
Capital Improvement Projects:					
Emergency Service					10,000
Booster Station Generator					50,000
97th/Windmill Upgrade	58,213	-	8,797	100%	
Sandy Shores Filtration	41,583	180,000	15,000	-92%	100,000
Dockton Springs Quality and Flow	17,491				
Restoration of office/board room space	-	10,000	-	-100%	15,000
Convert Springs water tank to storage		3,000	-	-100%	3,000
Other Capital Outlays	10,393	3,000	5,000	67%	3,000
<b>TOTAL EXPENDITURES:</b>	<b>159,398</b>	<b>228,000</b>	<b>59,569</b>	<b>-74%</b>	<b>212,000</b>
Transfer from Operations Fund	15,000				
<b>Ending Fund Balance</b>	<b>266,021</b>	<b>123,500</b>	<b>315,772</b>	<b>156%</b>	<b>189,080</b>

<b>CONTINGENCY RESERVES</b>	<b>Prior Year 2017-18 Actual</b>	<b>Current Year 2018-19 Budget</b>	<b>Current Year 2018-19 Fctst Actual</b>	<b>% Var from Bdgt</b>	<b>Proposed 2019-20 Budget</b>
<b>Ending Fund Balance:</b>	<b>78,400</b>	<b>78,400</b>	<b>78,400</b>	<b>0%</b>	<b>78,400</b>

<b>CONTINGENCY RESERVES</b>	<b>Prior Year 2017-18 Actual</b>	<b>Current Year 2018-19 Budget</b>	<b>Current Year 2018-19 Fctst Actual</b>	<b>% Var from Bdgt</b>	<b>Proposed 2019-20 Budget</b>
<b>Ending Fund Balance:</b>	<b>78,400</b>	<b>78,400</b>	<b>78,400</b>	<b>0%</b>	<b>78,400</b>

<b>TOTAL FUNDS</b>	<b>Prior Year 2017-18 Actual</b>	<b>Current Year 2018-19 Budget</b>	<b>Current Year 2018-19 Fctst Actual</b>	<b>% Var from Bdgt</b>	<b>Proposed 2019-20 Budget</b>
Operating Fund Ending Balance	12,585	19,606	19,454	-1%	(400)
System Replacement Reserves Ending Balance	246,677	162,300	202,407	25%	225,000
Capital Improvement Reserves Ending Balance	266,021	123,500	315,772	156%	189,080
Contingency Reserves Ending Balance	78,400	78,400	78,400	0%	78,400
<b>TOTAL FUNDS</b>	<b>603,683</b>	<b>383,806</b>	<b>616,033</b>	<b>61%</b>	<b>492,080</b>

