

Dockton Water Association

BOARD MEETING

Saturday, May 18th, 2019 @ 10AM

Water Office: 9710 SW Windmill Street

Minutes

CALL TO ORDER:

1. Welcome: Present – Hooper, Darton, Tanya, Paul, Kai, Sheila. Absent - Todd.
2. Quorum: Yes

CONSENT ITEMS:

3. APPROVED contents and order of the agenda.
4. APPROVED minutes of the April 27, 2019 meeting, conditioned on updating Todd's statement that there are no funds budgeted for additional consulting by Kelly in next year's budget.

INFORMATION ITEMS:

5. Dave's Report

- a. Wells: Dave is still having issues with getting three of the established/approved wells to properly flow due to sand/log sediment. He will continue to jet the wells. If he can't get the wells flowing properly, DWA will need to tap the Sandy Shores well earlier than normal during the high water usage months.
- b. Friday Letter: Dave continues to have issues sending the Friday letter from his home computer. Paul's email address has been corrected.

6. President's Report

- a. Office Remodel: Hooper and Dave are moving forward with the office remodel. Vashon Electric has already removed the old electrical wiring (exterior lights and hall are currently without electrical service). Carlos has reaffirmed his interest in working for DWA. Hooper/Dave will meet with Carlos to define roles (general contractor vs. carpenter) and contract requirements.
- b. Website: The annual meeting agenda is posted to the home page. A neighboring water purveyor reached out to Hooper via the president email link on the Contact page.

7. Committee Reports

a. Finance Committee

- i. April Budget: Report can be found at the end of the minutes.

b. Water Production Committee

- i. Memorial Bench: To eliminate shipping costs, Paul will source the bench/placard locally. The bench will be placed on DWA's office property near the school bus stop, which has a nice view of the harbor.

c. CIP and Planning Committee

- i. CIP Projects: If the 2019-2020 budget is approved, the Sandy Shores filtration project will be DWA's first priority. As soon as Dave receives the electrical package from Warren, the filtration project will be put out to bid. The installation of an emergency water stanchion will be DWA's second priority project.
- ii. Emergency Water Stanchion: Darton made a motion, Hooper seconded, Board unanimously APPROVED funding the installation of a water line

and stanchion just inside the Spring's driveway gate. The project is estimated at \$1,500.

CARRYOVER ITEMS FROM APRIL:

8. Unpaid Bill Policy: Dave drafted and presented a revision to DWA's current Directors' Policy which clarified how delinquent payments will be managed. After a few refinements to the language by the Board, the updated Director's Policy was APPROVED. DWA will honor existing payment agreements, however if the member breaches that agreement, the member will be subject to the clearer policy.
9. Emergency Contract: Paul will refine the draft emergency contract to include a signature block for the Secretary, a clause that provides a one year expiration date but with renewable options for three years, and reference DWA's design manual. In concert with awarding the emergency contract to Zellerhoff, DWA will develop a pre-approved contractor list to handle contingency projects estimated at \$1-\$4,999 and \$10,001+. Projects between \$5,000-\$10,000 will be set aside for the emergency contractor as compensation for being on-call 24/7 to address emergencies. At this point, Roggenbuck, Johnson and Zellerhoff are on the pre-approved contractor list. Rates and emergency/pre-approved contractors will be reviewed annually.
10. Washington Water Service: Paul and Dave to meet with Washington Water Service this Friday between 10a-12p to evaluate why the five new wells are inconsistently passing/failing lab tests. DWA's unsure if the inconsistencies are related to how the water is being collected, tested or something else.
11. Shifting billing/meter reading cycle, aligning staff and freeing up Dave on weekends: The Department of Ecology only requires testing 22 days in a given month, so Dave has been taking weekends off. Paul cautioned that if the weekday water test results are running high (usually in the summer months), that Dave should continue to test on weekends. As far as evaluating the benefits of adjusting the billing cycle to every other month and aligning staffing duties/pays, Sheila felt this topic aligned best with the Finance/Budget Committee. This committee should pursue if it feels there is value in evaluating potential costs savings for DWA.
12. Water Purveyors' Group: There is interest among other water purveyors to initiate a group to share best practices. Conversations have begun!
13. Grant money: DWA missed the deadline for submitting the 2019 grant application. The next opportunity to apply for a grant is in 2021. Tanya asked the Board to start thinking about the types of improvement projects that would qualify. Some suggestions were to upgrade DWA's silos and the Hake Road connection.

DISCUSSION ITEMS:

14. Fire Flow Policy: The Board agreed that future water service to Share 319 and large lots east on Summerhurst Road will be served from the 2 inch main that currently terminates at the NW corner of Share 319. A main extension beyond the existing 2 inch main will be built to fire flow standards, but will not need to provide fire flow at the time of connection, nor will the main upstream from the extension need to be upgraded to provide fire flow. Fire flow is only required when a cabin in the "urban" community (waterfront cabins) connects to the main. The urban homeowner would either incur the cost of upgrading the upstream mains so fire flow is adequate or the Board would need to consider accelerating its Capital Improvement Plan to provide fire flow to the NW corner of Share 319. There was discussion on whether Share 319 first needed to install the main in order for other homeowners east on Summerhurst to extend the main. Kelly, former DWA Manager, who was present at the meeting said "no" because GlenGarry Park's covenants are a recorded document and specifically provide for a 5 foot utility

easement on each side of the common boundary lines in the plat (recording #6221384). The easement does not need to be specifically in DWA's name. Sheila to send Dave the covenant.

15. Cross Connection: Kai is taking the lead and Dave will support developing educational materials for shareholders on cross connection dangers, how to identify and mitigate risks, and the legal obligations to test annually. This will include developing collateral for the website and a pamphlet (with lots of pictures!), as well as providing information at the annual meeting. It could also include, with the Board's approval, identifying a licensed person to test systems annually and applying the testing fee to the shareholder's invoice. Benefit to the shareholder is DWA can negotiate a volume discount and schedule the service.

OTHER BUSINESS:

16. What did we decide?

- Approved: \$1,500 to install emergency water line and stanchion at Springs (contingent on the 2019-2020 budget being approved).
- Dave:
 - Update Director's Policies to incorporate modified delinquent payment policy and send copy to the Board
 - Help Paul install Steve's memorial bench
 - Negotiate Emergency Contract with Zellerhoff
 - Obtain bids for installation of emergency water line and stanchion
 - Provide Sheila with an updated CWA
 - Resolve email issue and send out past two Friday letters
- Paul:
 - Update emergency contract (signature block, termination language, reference design manual)
 - Identify a design manual that meets King County standards, so the Board can adopt
 - Identify template contract for pre-approved contractors
 - Purchase bench, plaque and help Dave install
- Darton:
 - Add silos to the CIP as a future improvement
- Hooper
 - Update draft minutes to incorporate Todd's correction
 - Meet with Carlos to finalize roles/agreement
- Sheila
 - Provide Dave with Glengarry Park's recorded covenant
- Annual Meeting:
 - Paul to bring donuts, Kelly to bring coffee and urn
 - Sheila and Tanya will not be in attendance, Darton can stay for an hour
- Cross Connection:
 - Kia is lead, Dave will support

17. Annual Board meeting: 10:00 AM, Saturday, June 22, 2019

ADJOURN

APRIL 2019						
Operations	Month			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Beginning Balance	\$ 26,019	\$ 6,469	302%	\$ 24,172	\$ 23,000	
Income:						
Billed Revenues	\$ 17,364	\$ 17,850	-3%	\$ 184,975	\$ 185,430	-0%
Costs:						
Staffing and Contract Svcs	\$ (9,417)	\$ (7,750)	22%	\$ (79,990)	\$ (77,500)	3%
Business Operations	\$ (663)	\$ (496)	34%	\$ (21,135)	\$ (19,892)	6%
System Operations	\$ (2,335)	\$ (3,167)	-26%	\$ (29,538)	\$ (31,667)	-7%
Taxes and Fees	\$ (2,387)	\$ (3,280)	-27%	\$ (12,400)	\$ (32,245)	-62%
Transfer to Capital Funds	\$ (4,167)	\$ (4,166)	0%	\$ (41,670)	\$ (41,666)	0%
Net Change	\$ (1,605)	\$ (1,009)	59%	\$ 242	\$ (17,539)	-101%
Ending Balance	\$ 24,414	\$ 5,461	347%	\$ 24,414	\$ 5,461	347%
	Month			YTD	Annual	%
Replacement Reserves	Actual			Actual	Budget	Complete
Beginning Balance	\$ 192,531			\$ 265,140	\$ 249,300	
Income:						
From Operations	\$ 4,167			\$ 41,671	\$ 50,000	83%
Costs:						
Meter Replacement	\$ -			\$ (3,443)	\$ (3,000)	115%
97th & Windmill	\$ -			\$ (91,505)	\$ (60,000)	153%
Hake to Manzanita	\$ -			\$ (4,351)	\$ (50,000)	9%
Other Scheduled Projects	\$ (1)			\$ (6,077)	\$ (15,000)	41%
Unscheduled Costs	\$ -			\$ (4,737)	\$ (9,000)	53%
Total Costs	\$ (1)			\$ (110,113)	\$ (137,000)	80%
Ending Balance	\$ 196,697			\$ 196,698	\$ 162,300	121%
	Month			YTD	Annual	%
Improvement Reserves	Actual			Actual	Budget	Complete
Beginning Balance	\$ 300,279			\$ 290,137	\$ 266,500	
Income:						
Reserve Base Charges	\$ 1,438			\$ 14,376	\$ 15,600	92%
Capital Charges	\$ 5,640			\$ 57,154	\$ 69,400	82%
New Shares/Hookup	\$ -			\$ 6,289	\$ -	
Costs:						
State Loan Payments	\$ -			\$ (30,772)	\$ (32,000)	96%
Service Connections	\$ -			\$ (4,489)	\$ -	
97th & Windmill	\$ -			\$ (8,913)	\$ -	*
Sandy Shores Filtration	\$ (4,964)			\$ (13,576)	\$ (180,000)	8%
Other Scheduled Projects	\$ -			\$ -	\$ (13,000)	0%
Other Capital Outlays	\$ -			\$ (7,813)	\$ (3,000)	260%
Total Costs	\$ (4,964)			\$ (65,562)	\$ (228,000)	29%
Ending Balance	\$ 302,393			\$ 302,393	\$ 123,500	245%

APRIL NOTES:

- ¹ Revenues are on track for year.
- ² Higher staffing cost, as planned. YTD OK.
- ³ Over YTD budget is due to Franchise Fee battle
- ⁴ YTD Difference is KingCo Franchise tax
- ⁵ Higher payroll offset by budgeted Franchise Fee
- ⁶ Ahead by the amount of Franchise Fee
- ⁷ Replacement Reserve will increase thru EOY
- ⁸ Had not budgeted for more materials
- ⁹ Fund balance likely increase thru EOY
- ¹⁰
- ¹¹
- ¹²
- ¹³
- ¹⁴ Outstanding checks & change in Receivables/Payables

Current Fund Balances		30-Apr
Operations	\$	24,414
System Replacement	\$	196,698
Capital Improvement	\$	302,393
Contingency Reserve	\$	78,400
Total Funds	\$	601,905

Current Bank Balances		30-Apr
US Bank (on Vashon)	\$	221,225
Chase (on Vashon)	\$	393,692
Reconciliation	\$	(13,013)
Total Funds	\$	601,905