

Dockton Water Association

BOARD MEETING

Saturday, July 27, 2019

10AM

Water Office 9710 SW Windmill Street

Minutes

CALL TO ORDER:

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

CONSENT ITEMS:

3. APPROVED contents and order of the agenda.
4. APPROVED minutes of the May 18 and June 22, 2019 meetings.

INFORMATION ITEMS:

5. **Guest Speaker:** Warren Perkins (Gray & Osborne Inc.)
 - Design Options: Warren laid out three electrical design alternatives for designing Sandy Shores filtration project.
 - #1 (\$0): Build as approved/designed. No delays.
 - #2 (\$15-\$20K): Design for additional future three phase power to accommodate an air stripper tower. PSE approval needed.
 - #3 (\$230K): Upgrade poles and line (\$80K), install air stripper tower (\$150K). Department of Health and PSE approval need.
 - Board APPROVED Gray & Osborne to complete the electrical package for Option 2 and provide the package to DWA no later than EOY. Dave will work with PSE directly on upgrading the power. Warren to advise Dave if Gray & Osborne will be able to spec out the air stripper by EOY to dovetail with Schedule A. If it cannot accomplish by EOY, then the air stripper tower will be included in Schedule B.
 - Potential Funding Options:
 - Proceeds from sale of DWA parcel on 268th
 - Increase capital improvement contribution
 - Drinking Water State Revolving Fund
 - King County Community Development Grant Block
 - Transition: In preparation for Warren's retirement (TBD), Warren will look for opportunities to involve Carrie Moore so she understands DWA's system.
6. **Dave's Report**
 - a. DWA Property: DWA owns acreage off of 268th that has a low producing, unmaintained well. The county assessor values the parcel at \$317K. DWA being a utility does not pay property tax. The sale of this parcel would need to be approved by DWA shareholders. Sheila will ask Tom Dean of the Vashon-Maury

Island Land Trust to get in touch with Dave regarding selling development rights and/or the property to King County.

7. **President's Report**

- a. Office Remodel: The electrical wiring has been removed. Framing will commence in September and will take about one month to complete.
- b. Member Feedback: Hooper has received a couple of small questions over the past few months via the web link. He believes the community at large is aware of DWA's website and anticipates more members will utilize this channel to provide feedback.
- c. Computer/Software Upgrade: The two office computers have Office 2007 and lack adequate memory/computing power to upgrade the software. Dave to research hardware needs for office/field use, software subscriptions and cloud storage. Dave to bring a cost/benefit proposal to the next meeting for the Board to consider. He will also begin to routinely backup the existing computers.

8. **Committee Reports**

a. **Finance Committee**

- i. June Budget: Report can be found at the end of the minutes.
- ii. New Report: Next month's report will be pulled directly from Quickbooks, so it will look slightly differently and hopefully just as user friendly.
- iii. Share 176: Committee will review share 176 accounts receivable balance, and will resolve or will bring a proposed resolution to the Board.

b. **Water Production Committee**

- i. Emergency Contract: Contract language edits have been exchanged between DWA and Zellerhoff. The two parties plan to meet in person within the next week or two.
- ii. Five Wells: Water samples from the five wells have been approved. Because the wells are on King County property, DWA needs to establish that it has a prescriptive easement, including the required sanitary buffer. Duncan will seek affidavits from previous board members to substantiate when the wells were installed. Duncan will not charge for his time, but \$5K is budgeted for legal fees for Duncan's assistant. The plan is to present to the KC Council. If not resolved at that level, then DWA would start litigation/negotiations.

a. **CIP and Planning Committee**

- i. No update

CARRYOVER ITEMS FROM MAY:

9. Water Purveyors' Group: Need contact list from Dave
10. Grant Money: Unfortunately, DWA did not qualify for the state grant because DWA is a private entity, not a government entity.

DISCUSSION ITEMS:

11. Cross Connection: Kai presented an outline of a collateral piece she, Dave and Tanya have been working on. It will be posted to the website and included in the next invoice

It's purpose is to educate shareholders on why cross connection is a homeowners first line of defense in keeping DWA's water system healthy.

12. Memorial Bench: Dave will install before the next board meeting.

13. Emergency Water Availability: Darton to lead the project.

OTHER BUSINESS:

14. What did we decide?

- Board:
 - Have Grey & Osborne design for additional future three phase power to accommodate an air stripper tower.
- Dave:
 - Provide Hooper with Vashon water purveyor contact list
 - Work with PSE in bringing three phase power to Sandy Shores
 - Install memorial bench
 - Put together a proposal for technology upgrades to the office
 - Regularly backup computers
- Darton:
 - Create site map for the five wells
 - Lead emergency water availability project
- Sheila:
 - Ask Tom Dean to reach out to Dave re: DWA property
- Paul
 - Meet with Zellerhoff re: contract edits
 - Send new contact information to Dave
- Todd
 - Finance committee will review Share 176.
- Hooper
 - Reach out to Heights re: purveyor group

15. Next Board meeting: Saturday, August 25, 2019

JUNE 2019				
Operations	Month Actual	Actual	Year-to-Date Budget	Variance
Beginning Balance	\$ 22,918	\$ 24,172	\$ 23,000	
Income:				
Billed Revenues	\$ 17,674	\$ 220,190	\$ 222,400	-1%
Costs:				
Staffing and Contract Svcs	\$ (9,221)	\$ (96,730)	\$ (93,000)	4%
Business Operations	\$ (3,979)	\$ (28,671)	\$ (23,550)	22%
System Operations	\$ (7,292)	\$ (39,256)	\$ (38,000)	3%
Taxes and Fees	\$ (712)	\$ (14,480)	\$ (39,200)	-63%
Transfer to Capital Funds	\$ (4,167)	\$ (50,004)	\$ (50,000)	0%
Net Change	\$ (7,697)	\$ (8,951)	\$ (21,350)	-58%
Ending Balance	\$ 15,221	\$ 15,221	\$ 1,650	822%
Replacement Reserves	Month Actual	YTD Actual	Annual Budget	% Complete
Beginning Balance	\$ 194,038	\$ 265,140	\$ 249,300	
Income:				
<i>From Operations</i>	\$ 4,167	\$ 50,004	\$ 50,000	100%
Costs:				
Meter Replacement	\$ -	\$ (2,460)	\$ (3,000)	82%
97th & Windmill	\$ -	\$ (91,593)	\$ (60,000)	153%
Hake to Manzanita	\$ -	\$ (4,350)	\$ (50,000)	9%
Other Scheduled Projects	\$ -	\$ (7,009)	\$ (15,000)	47%
Unscheduled Costs	\$ (3,734)	\$ (7,793)	\$ (9,000)	87%
Total Costs	\$ (3,734)	\$ (113,205)	\$ (137,000)	83%
Ending Balance	\$ 201,939	\$ 201,939	\$ 162,300	124%
Improvement Reserves				
Beginning Balance	\$ 316,522	\$ 290,137	\$ 266,500	
Income:				
Reserve Base Charges	\$ 1,357	\$ 17,414	\$ 15,600	112%
Capital Charges	\$ 5,640	\$ 67,680	\$ 69,400	98%
New Shares/ hookup/Int.	\$ 5,246	\$ 25,138	\$ -	
Costs:				
State Loan Payments	\$ -	\$ (30,771)	\$ (32,000)	96%
Service Connections	\$ (2,700)	\$ (12,889)	\$ -	
97th & Windmill	\$ -	\$ (8,797)	\$ -	
Sandy Shores Filtration	\$ (1,506)	\$ (19,857)	\$ (180,000)	11%
Other Scheduled Projects	\$ (2,328)	\$ (2,330)	\$ (13,000)	18%
Other Capital Outlays	\$ -	\$ (3,494)	\$ (3,000)	116%
Total Costs	\$ (6,534)	\$ (78,138)	\$ (228,000)	34%
Ending Balance	\$ 322,231	\$ 322,231	\$ 123,500	261%

JUNE NOTES:

- ¹ Revenues very close to expected
- ² Staffing and consulting only slightly higher than original budget
- ³ Overbudget is primarily legal fight with KingCo
- ⁴ Low Unscheduled Costs balanced out higher costs
- ⁵ Did not pay budgeted \$24,000 to KingCo
- ⁶ Higher costs mitigated by no KingCo tax
- ⁷ Ended year with cushion for KingCo tax risk
- ⁸ End year with \$40k more -- primarily due to Hake
- ⁹ End year with \$200k more -- primarily due to Filtration
- ¹⁰
- ¹¹
- ¹²
- ¹³
- ¹⁴ Outstanding checks & change in Receivables/Payables

Current Fund Balance	30-Jun
Operations	\$ 15,221
System Replacement	\$ 201,939
Capital Improvement	\$ 322,231
Contingency Reserve	\$ 78,400
Total Funds	\$ 617,791

Current Bank Balance	30-Jun
US Bank <i>(on Vashon)</i>	\$ 231,294
Chase <i>(on Vashon)</i>	\$ 393,680
Reconciliation	\$ (17,183)
Total Funds	\$ 617,791