

Dockton Water Association

9710 SW Windmill Street | Vashon, WA 98070 | 206.463.5600 | docktonwater.org

Shareholder Annual Meeting

Saturday – June 15, 2019

10:00 a.m.

Dockton Water Association Community Hall

9710 SW Windmill Street

(the white building with the green metal roof)

Ballot Measures

We look forward to seeing you at Dockton Water Association's upcoming annual meeting! The agenda will include voting results by the Association's membership (*) on the following measures:

- **Board of Directors Election**
- **Proposed Budget for 2019-2020**
- **Amend Bylaws 2.4 (Annual Meeting)**

Voting Ballot

If attending the meeting in person, please bring your completed ballot with you. If you are unable to attend, your ballot must be received no later than 10:00 a.m. on Saturday, June 15 to be counted. Ballots may be mailed or dropped off at the DWA office (if included with your water payment, please ensure it's received by the date and time noted above).

Please provide your account #(s): _____

1. Board of Directors Election (vote for two (2) candidates to serve two-year terms; statements on second sheet)

Todd Currie

Darton Riley-Gibbons

Write-in candidate (print name): _____

2. Budget for 2019-2020

Approve

Do not approve

3. Amend Bylaws 2.4 (Annual Meeting)

Approve

Do not approve

(*) As a Dockton Water Association Member, your vote is very important. In accordance with the bylaws, we must receive a vote from 10% of the membership in order to validate any results.

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Candidate Statements

Board of Directors Election – June 2019

Serve a 2-year term of office from July 2019 through June 2021

Todd Currie

I've enjoyed serving on the board since the Fall of 2015, and will be glad to continue serving the association, if re-elected. I am retired from a career in the software industry, most recently at Tableau Software. Much of my career has involved financial reporting and data analytics systems. I have an undergraduate degree in Accounting (Penn State) and an MBA (University of Chicago) -- so I really enjoy working with the numbers! My wife, Sylvie, and I split our time between Dockton and Fremont. We have three daughters; one in college and two graduated and, hopefully, finding their way. I enjoy gardening with Sylvie, home projects, a range of boating activities, visits with friends, cultural events, keeping up with the news... and just trying to stay fit!

Darton Riely-Gibbons

Darton Riely-Gibbons is a professionally licensed civil engineer in the state of Washington that specializes in land development and stormwater management. For the past six years, he's worked as a civil engineer consultant. He currently works at Huitt-Zollars, Inc. in Tacoma as a project manager. Prior to that, he worked as a civil engineer for more than four years with MacKay Sposito, Inc. in Federal Way. Darton received his Bachelor of Science in Civil Engineering from Seattle University and has lived in the Puget Sound region his entire life, growing up on Bainbridge Island and now living on Vashon with his wife, Kim, and 19 month old daughter, Hadley. Darton has served on the Dockton Water Association Board since 2017 and became Vice President and head of the Capital Improvements Committee in 2018. Darton is excited to continue to serve on the Dockton Water Association Board and utilize his skill set and engineering experience to play a more active role in his community.

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Explanation of Ballot Questions

Ballot Question 1: Who should be elected to the two open board positions?

Two Board positions expire on June 16, 2019. Candidate statements are printed on the ballot, enclosed as a separate document. You can also write in a candidate. Please vote for two.

Ballot Question 2: Should the Board adopt the proposed budget for 2019-2020?

The proposed budget is printed on the back of this page. Notes in the right column give a general explanation of the format and contents. For more details, please visit docktonwater.org. For specific questions, contact Todd Currie at twcurrie@yahoo.com.

Ballot Question 3: Should the proposed amendment to the Bylaws be adopted?

2.4 Annual Meeting

The annual meeting of the members shall be held on ~~a the third~~ Saturday in June in each year at 10:00 a.m. for the purpose of electing Directors and transacting such other business as may properly come before the meeting. ~~If the annual meeting is not held on the designated date, the Board shall cause the meeting to be held as soon thereafter as may be convenient.~~

If you have questions about the proposed changes, please call our President, John Havekotte, at 206-818-1867 or e-mail him at johnchavekotte@gmail.com.

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Dockton Water Association Proposed Budget - 2019/2020 Fiscal Year (July through June) For Shareholder Review

Dockton Water Association, Proposed Budget 2019/2020

	2018-19 Budget	2018-19 Forecast Actual ¹	2019-20 Proposed Budget
OPERATING FUND			
BEGINNING FUND BALANCE	23,000	24,172	19,500
INCOME: Water Sales (Active Shares), Taxes and Fees	11,100	223,442	226,100
COSTS:			
Staffing and Contract Services	(20,600)	(96,600)	(103,000)
Business Operations	(26,650)	(30,279)	(25,500)
System Operations	(39,000)	(35,911)	(40,500)
Taxes & Licenses	(15,800)	(15,261)	(15,500)
King County Franchise Fee (pending ruling)	(24,000)	-	(12,000)
Total Operating Costs:	(126,050)	(178,051)	(196,500)
Operating Profit (Loss)	(114,950)	45,391	29,600
Total Available Funds: (Beg. Balance plus Operating Profit)	(91,950)	69,563	49,100
Transfer to Capital Funds	50,000	50,000	50,000
ENDING FUND BALANCE	(141,950)	19,563	(900)
SYSTEM REPLACEMENT FUND			
BEGINNING FUND BALANCE	249,300	265,140	202,000
INCOME: Transfer from Operating Fund	50,000	50,004	50,000
INVESTMENTS: System Replacement Projects	(137,000)	(112,737)	(37,000)
Net Change in Fund	(87,000)	(62,733)	13,000
ENDING FUND BALANCE	162,300	202,407	215,000
CAPITAL IMPROVEMENT FUND			
BEGINNING FUND BALANCE	266,500	290,137	316,000
INCOME: Reserve Shares and Capital Charges	85,000	85,204	85,080
State Loan Payments (Balance: \$200,371 Interest: 1.5%)	(32,000)	(30,772)	(31,000)
INVESTMENT: Capital Improvement Projects	(196,000)	(28,797)	(181,000)
Net Change in Fund	(143,000)	25,635	(126,920)
ENDING FUND BALANCE	123,500	315,772	189,080
CONTINGENCY RESERVES			
BEGINNING FUND BALANCE	78,400	78,400	78,400
Net Change in Fund	-	-	-
ENDING FUND BALANCE	78,400	78,400	78,400
TOTAL FUNDS	222,250	616,142	481,580

¹ Includes actual results through April 2019, May and June are estimated

NOTES:

* We manage our finances using four Funds. Each fund has inflows and outflows during the year. The total balance of all four funds at any time equals the total amount of cash, or "Reserves", we hold in the bank.

* The **Operating Fund** is used to run the business on a day-to-day basis. This fund receives income from Active Shareholders ("base charge" and water usage plus taxes and fees) and pays out all operating expenses.

We are budgeting to operate at a profit of \$29,600 but this does not cover our regular transfer to Capital Funds. After accounting for the transfer, the Operating Fund could be a bit negative. This is OK but indicates that we may need to adjust revenues or costs for 2020/2021 fiscal year. We are budgeting less for the "Franchise Fee" this year as it has not yet been approved by the courts and we plan to apply for credits due to our investments in fire suppression (hydrants and 8" mains).

* **System Replacement Fund** holds our cash reserves for projects where we replace existing pipes and equipment. No major Replacement projects are planned for this coming year. The budget always includes \$15,000 for emergency repairs. (We used only \$9,000 this year.)

* **Capital Improvement Fund** holds our reserves for projects where we improve/upgrade our system. It receives the income from the Capital Charges we all pay and the "base charge" paid by Reserve Shareholders. The significant project this coming year is the early phases of the Filtration System for the Sandy Shores well water.

* **Contingency Fund** was, originally, a requirement of our State Loan. This can now be considered a "rainy day" fund.

* **Total Funds** is the Ending Balance of all four funds. Budgeted Ending Total Funds of \$481,580 is a very good financial position for us. However, we may explore our financing needs/options when construction bids give us a clearer view of costs for the Filtration System

* If you have questions or would like more details, please contact Todd Currie, twcurrie@yahoo.com