

Dockton Water Association

BOARD MEETING

Saturday, February 22, 2020 @ 10AM

Water Office: 9710 SW Windmill Street

Minutes

CALL TO ORDER:

- Welcome: Present – Hooper, Tanya, Paul, Todd, Kai.
Excused Absence -- Sheila, Darton
- Quorum: Yes.

CONSENT ITEMS:

- APPROVED: Contents and order of the agenda
- APPROVED: Draft Minutes of the January 25, 2020 meeting

INFORMATION ITEMS:

- **Guest Speaker:** None
- **Member Comments:** A surprising number of guests. (Board candidates?!) No comments at this time.
- **Dave's Report:**
 - a) Serving Pt. Piner main: this is still a work-in-progress. Seeing some interesting potential for getting water to Summerhurst Walk.
 - b) 268th Property:
 - a. Paperwork was submitted to see if King Co would want to make an offer. (This is considered a long shot, is primarily for information only on behalf of shareholder expressed interest during November meeting, not a board priority.)
 - b. Guests expressed overall concern of any board initiatives re: the property and that it is essential that all shareholders be informed of any potential proposals well in advance of any decision making so that important information can be shared with all members.
 - c. Guests described that clarification is needed from the board due to the rumors that are being heard.
 - d. Hooper stated to all present: "The DWA Board has no plans to take any action concerning the 268th property."
 - e. Suggestion was raised to include a statement clarifying the situation to all members on the upcoming bills.
 - c) Manzanita-Hake loop: Dave talked with Todd Madison – no further consideration has been made at this point. Dave provided background about the situation for the guests.

- d) Generator Installation: Generator is installed. Final installation and electrical connections are in process. Likely to be operational later next week. Dave provided a description of the generator and the situation for the guests.
- **President's Report**
 - a) Office remodel update: work is well underway! Carlos is providing important construction insights and recommendations to ensure the quality of the end result – meaning addressing unanticipated problems in the current structure.
 - a. Windows: it will not be possible/reasonable to repair the existing windows. We have placed an order for vinyl windows that will be appropriate for the building. There was general agreement that we should investigate getting wood windows that may be more era-appropriate – one possible supplier is Cherry Creek.
 - b. We had three options for the vinyl windows and chose the middle option for \$1500
 - c. We are not able to salvage much siding, so LS Cedar can match (with tight knot cedar) existing: \$4000
 - d. Critical issue is that with windows, siding, panels and additional construction efforts we will run over our \$30k budget by as much as \$15k. (Maybe even more with wood windows.)
 - e. Board approved additional expenditures of up to \$15k (\$45k total) before needing to come back to the board for further approvals.
 - b) Office computer: new computers and systems (Office365 and CUSI) are up and running. Todd and Hooper will get QuickBooks working for Angie.
 - c) King County Franchise lawsuit: Duncan is recommended that we stay in the class action for the next rounds of negotiations with King Co that could impact rates, credits, payment for prior years, definition of our actual RoW use, etc...
 - a. Board approved to stay in class with additional legal fees of \$4500.
 - b. Guest suggested not waiting to add a passthrough fee to bills – sooner than later.
 - d) Construction Management proposal:
 - a. Board approved that Paul agree to G&O's proposal (\$41,000), while ensuring that proposal is consistent with standard practice in the industry.
 - b. Board gave green light to move ahead and get bid out ASAP.
- **Committee Reports**
 - a) **Finance Committee**
 - i. Budget: Dave has submitted the first pass of the Manager's budget for Operations to Todd. Next step is for CIP committee to determine expected expenditures to be billed to DWA this fiscal year and propose projects and budgets that will be expended during 2021 fiscal year. Dave will assist the CIP committee.
 - ii. Financial Summary: no report on Financial Summary distributed earlier this week. See attached.
 - b) **Water Production Committee**
 - i. Emergency Contract: Duncan has reviewed and approves the contract, as is. Recommendation is that we establish Terms & Conditions to be part of all contracts for projects >\$10k. Paul and Dave will work to get the agreement to Z, and completed, before Z leaves on annual holiday in March.

- ii. Five Wells: We will be engaging Duncan's staff, generating legal expenses (as budgeted) as we attempt to move this forward (in the shadow of the Franchise saga.)

c) **CIP and Planning Committee**

- i. Report postponed pending Darton

DISCUSSION ITEMS:

- ALQ and "Auxiliary Residence": Board in agreement that when King County permits a property with ADU or ALQ, ADU will be considered an "Auxiliary Residence" for membership. ALQ will not be considered an "Auxiliary Residence". Todd will present text to modify By-Laws with this clarification – for discussion at March meeting.
- Share By Back: Board agreed to table this until Darton and Sheila are in attendance.

OTHER BUSINESS:

- What did we decide?
 - Board:
 - Include statement on March bills with clarification re: lot on 268th
 - Agreed to add \$15,000 to budget for Office Remodel. OK'd spend of \$45k
 - Agreed to stay in the class for the action against King Co Franchise. Agreed on the anticipated cost of \$4500
 - Agreed in principle with \$41k for G&O as project managers for SS Filtration. Gave Paul green light to get bidding process started.
 - Agreed to use final draft of Zellerhoff contract, as per Duncan.
 - Dave:
 - Update small system water plan, parts list and installation standards (carry over from November)
 - Get contract approved by Zellerhoff
 - Dave/Hooper:
 - Investigate alternative supplier for wood windows
 - Dave/Darton:
 - Pull together estimated FY20 CIP costs, draft CIP budget for 2021
 - Finalize emergency contract
 - Todd
 - Pull together text for ByLaw (and/or Policy) update re: ADU/ALQ
 - Paul
 - Confirm that G&O contract follows industry standard practice
- Next Board meeting: Saturday, March 28, 2020

31-Jan-20

OPERATIONS FUND	Month	Year-to-Date		YTD
	Actual	Actual	Budget	Actl/Bdgt
Beginning Balance:		\$ 15,221	\$ 19,500	
Income	\$ 18,094	\$ 133,819	\$ 131,891	101%
Costs	\$ (19,797)	\$ (113,892)	\$ (115,978)	98%
Transfer to System Replacement	\$ (4,167)	\$ (29,169)	\$ (29,167)	100%
Operating Gain/(Loss)		\$ (9,242)	\$ (13,254)	70%
Ending Balance		\$ 5,979	\$ 6,246	96%

SYSTEM REPLACEMENT FUND	Month	Total Year		Annual
	Actual	Actual	Budget	Actl/Bdgt
Beginning Balance:		\$ 201,939	\$ 202,000	
Costs	\$ -	\$ (729)	\$ (37,000)	2%
Transfer from Operations	\$ 4,167	\$ 29,169	\$ 50,000	58%
Ending Balance		\$ 230,379	\$ 215,000	107%

SYSTEM IMPROVEMENT FUND	Month	Total Year		Annual
	Actual	Actual	Budget	Actl/Bdgt
Beginning Balance:		\$ 322,231	\$ 316,000	
Income	\$ 7,073	\$ 49,700	\$ 85,080	58%
Sales of Shares	\$ -	\$ -	\$ -	
Costs	\$ -	\$ (67,332)	\$ (212,000)	32%
Ending Balance		\$ 304,599	\$ 189,080	161%

CONTINGENCY RESERVE Balance:		\$ 78,400	\$ 78,400	100%
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RECONCILIATION TO CASH	
Beginning Book Balance:	\$ 617,791
Change during year from:	
Operations Fund	\$ (9,242)
System Replacement Fund	\$ 28,440
System Improvement Fund	\$ (17,632)
Contingency Reserve	\$ -
Ending Book Balance:	\$ 619,357
Changes to Accrual Accounts:	
Accounts Receivable	\$ 14,342
Accounts Payable	\$ 2,999
Credit Card	\$ (581)
Est. Book Balance, Net of Accruals	\$ 636,117
Actual Bank Balances:	
USBank - Checking	\$ 55,774
USBank - Savings	\$ 180,342
Chase Bank - Savings	\$ 289,238
Chase Bank - CD	\$ 104,981
Actual Total Cash:	\$ 630,335
Reconciliation gap:	\$ (5,782)