

WATER DISTRICT 19
BOARD OF COMMISSIONERS MEETING
Thursday, April 27, 2017

SPECIAL MEETING
10:00 AM

Board President **Richard Bard** called the special meeting of the Water District 19 Board of Commissioners to order at 10:00 a.m. Commissioners **Bob Powell** and **Jenny Bell** were also present. District staff members in attendance were Operations Lead **Jamie Hatton**. The Vashon Beachcomber and Vashon Loop papers were notified in advance of the meeting.

1. OPERATIONS REPORT

Operations Lead Jamie Hatton reviewed water quality and chemistry test results for well 1. Jamie suspects the pH change following the CO₂ treatment is scouring the 625K tank of biofilms, and is less concerned about corrosion in steel and coated pipes.

Jamie reviewed the criteria for when leaks must be counted as production.

Jamie noted the failures of pumps at the Beall and Ellis creek pump stations and the lack of further redundancy, with summer approaching, resulting in some urgency to replace the failed pumps. One reason for delay is the need to install an access hatch in a new roof.

2. BOARD DISCUSSION/ACTION

- Board discussion of investment priorities and rates, in the context of potentially hiring Katy Isaksen of Katy Isaksen & Associates.

Commissioner Bard noted the comp plan already lists capital expenditure amounts and priorities. A separate question not addressed in the plan is how strong a conservation “signal” to send through our rates. Commissioner Bard noted the apparent contradiction in state guidelines, prescribing that water utilities plan based on meeting future demand through production improvements, not conservation. WD19 would prefer a clear policy to meet demand through conservation. Commissioner Powell noted WD19’s relatively unique position as an island supplied only through local rainfall, and advocated a policy of doing what we consider “right”, defending and eliciting support for new policy, instead of restricting our planning up-front to conform with a conservative interpretation of state guidelines. Commissioner Bell disagrees with Bard’s interpretation and believes WA State already supports a conservation stance. The board notes that we agree on objectives.

Commissioner Bard notes the present conservation objective is a per capita demand reduction of 2% per year per unit. Bard appreciated Katy’s emphasis on simplicity in rate planning. WD19 just needs to decide what parameters to provide Katy

Commissioner Powell suggested dynamic rate adjustment on an annual basis. Commissioner Bell noted a document describing “consumption based fixed rates” which addresses the problem of revenue instability by creating three revenue categories: fixed-fixed, fixed-volumetric and variable charges.

Commissioners Bell and **Powell** propose creating additional rate tiers to raise the consumption level at which the rate structure plateaus. Commissioner Powell noted possibly adjusting the rate structure to account for the number of ERUs per account.

The board questioned the higher purpose and intent of conservation at all. **Commissioner Powell** noted the continued development of individual residences, with their disproportionately high impact on recharge and the natural environment, and the lack of dense/affordable development due to lack of water units, and advocated creating larger blocks of new water units to enable affordable housing development in balance. **Commissioner Bell** advocated affordable housing on a more distributed and individual scale both inside and beyond Vashon Town. The board noted our job is not to set development policy but only to provide water to meet demand while remaining within sustainable withdrawal. How do we decide to develop new water resources vs. working with the existing resources? How do we determine what usage of existing resources is truly sustainable, and factor water quality in the equation as well?

Commissioner Powell floated an alternate objective of conservation: using conservation incentives to reduce demand to where our water resources are used truly sustainably, ideally enabling avoiding periodic well redevelopment and accompanying risk of degraded water quality. Based on the significant community participation in the recent KC plan revision, community sentiment appears to favor sustainable resource use over growth. Perhaps the capacity report should be revised to reflect pumping the wells at lower rates.

Commissioner Bell noted potential impact on food and other commercial growers, and the need for rate adjustments to be fair to all.

The board agrees in principal to hire Katy Isaksen to help steer WD19 toward a more consumption based rate structure with stronger conservation incentives, while maintaining a stable revenue stream. **Commissioner Powell** is to draft an outline of the board's objectives for Katy's work.

- **CWA request by Eagle Rock Ventures, LLC**

Commissioner Bell noted concern about water usage at the Lodges even in their first year of operation. Page 2 of engineer's report dated April 26 notes 2443 gpd for the 12/28/16-2/27/17 billing period, presumed due to toilet leakage. Bell noted Ellisport Engineering chose to omit this billing period from their average usage calculation.

Bell reading from settlement agreement:

- shall agree to remove and replace all old fixtures from the Vashon Village buildings – they apparently have not.
- shall not lease to high water use tenants including food preparation
- agrees on a list of prohibited water uses in both the tenant spaces and the Inn (Lodges) so long as the moratorium is in place.

Bell noted the Lodges advertises luxury tubs in apparent conflict with the settlement agreement, and also the higher than predicted water use in the first year of operation, notwithstanding the apparent leak. Bell is concerned about a lack of information provided to the board on the Lodges usage to date.

Following discussion, the board drafted a resolution approving tenant changes and rejecting the request for a hot tub/spa:

“The Water District 19 board is prepared to approve a CWA for the Vashon Village tenant changes as requested for the Cliff's Beer tasting room, eBikes shop and new hair salon, based on the Ellisport Engineering revised report dated April 26, 2017. The board rejects the

request for a hot tub/spa at the Lodges, as prohibited by the settlement agreement. The board also notes water saving fixtures mandated in the settlement agreement have apparently not been installed in the existing Vashon Village spaces.”

Commissioner Bard moved to approve the CWA request by Eagle Rock Ventures, LLC for the Vashon Village tenant changes. **Commissioner Bell** seconded. Bard and Bell voted yes. **Commissioner Powell** recused due to business relations with one of the tenants in question.

Meeting adjourned at 12:35 PM for lunch break.

Meeting reconvened at 1:35 PM.

3. BOARD DISCUSSION/ACTION

- Board discussion of a framework for performance reviews
- John Runyan to be on agenda for the May 9 regular meeting or a subsequent special meeting depending on John’s schedule.

Meeting concluded at 1:45 PM.