

**WATER DISTRICT 19**  
**BOARD OF COMMISSIONERS MEETING**  
**Tuesday, July 14, 2020**

**REGULAR MEETING 6:00 PM**  
**Meeting Members participated by using “ZOOM” conferencing**

**Board President Bob Powell** called the Regular Meeting of the Water District 19 Board of Commissioners to order at 6:03 PM. Those also in attendance were **Commissioners Seth Zuckerman** and **Mike Weller**, **General Manager Jim McRae** and **Office Administrator Melody Snyder**. Guest present via Zoom conference was Warren Perkins of G & O (Gray & Osborne).

**AGENDA:**

• **VISITOR BUSINESS**

- None

• **BOARD – ACTION REQUIRED**

- Approved minutes from Tuesday May 12<sup>th</sup>, 2020 Regular Meeting, Tuesday June 9<sup>th</sup>, 2020 Regular Board Meeting and Tuesday June 23<sup>rd</sup>, 2020 Special Meeting – **Commissioner Powell** made a Motion to approve all the attached minutes as amended; **Commissioner Weller** seconded. Motion passed unanimously.
- The Board approved Chapter 8 (Capital Improvement Program) of the Water System Plan. The 216<sup>th</sup> water main project will be delayed until 2021, as there is no time remaining this year to secure funds, solicit & review bids, plus perform the work. General Manager McRae presented a spreadsheet that would split the 216<sup>th</sup> project into two phases. The changes would have the Monument Road section start this year. A tertiary benefit of this approach would allow operations staff to observe the construction, which would help prepare them for a series of projects that will be completed by District staff. G&O will put bid packet together for a September start on Monument Road, as the plans are 80% complete. Commissioner Powell supports bidding the Monument section of the project and asked that we get feed-back from Brietta, the District’s engineer who is assigned by the DOH and approach the County and soon as possible. The Right of Way permit is the first step and General Manager McRae agreed to submit the forms to the county and ensure that Brietta was on board for the project to be completed within two months. The Board also agreed to delay the Vashon Hwy South project to 2022 but wants to maintain the 2023 date for the Bank Road project to meet the timeline communicated to the Bank Road customers. The Vashon Highway project will be split over two years due to the length of the pipe to be replaced and the number of connections involved. There are some concerns that the asphalt work may be more expensive than originally thought, so we will continue to watch the market. After continuing discussion on the project schedule, Figure 8.1 of the WSP will be reworked by moving Kingsbury & South End out a year and moving the New Water Source project into the 2027 - 2036 timeframe.
- After a review of Chapter 9 of the WSP, which presents the District’s financial position, Commissioner Zuckerman noted that deficits are worse than what had originally been discussed. He went on to review depreciation and whether it should be included in the Profit & Loss tables, since the purpose of the chapter was to highlight internally generated cash to cover much of the District’s

capital spending. Commissioner Zuckerman suggested that we recast the first table with just the cash flow picture, which would eliminate depreciation from the table, thus showing how the District is generating cash. Two tables; Table 9.9 that illustrates table the cash generated from operations, and Table 9.10 that illustrates use of generated cash for capital improvements and debt associated to make up the difference between District cash & District debt. Commissioner Zuckerman and General Manager McRae agreed to have interactions, without having to wait for the next board meeting to gain approvals. However, the full board wanted to see the resultant work at the August meeting. Commissioner Zuckerman made the following recommendations to the tables:

1. Remove interest expense from operating P&L
2. Remove depreciation from P&L
3. Show how surplus of revenue over expenses is to be used to fund capital projects, in conjunction with new borrowing

Commissioner Weller noted that Table 9-10 presents a summary of anticipated capital project debts through the 10-year planning period. The district's current debts are scheduled to be fully retired in 2023, while new debts reflect the project scheduling and funding information presented in Chapter 8 of this document. New debts are assumed to be funded at 3.5% for 25 years, and the resulting debt service levels are reflected in Table 9-9.

1. Add a note to the first page noting that pipe replacement will also reduce system leakage, which will conserve water and increase available capacity for future customers.
2. Add category totals and grand total to table 8.2
3. Remove the note about adding the map and add the map.

**MOTION – Commissioner Powell** made a Motion to approve the water system plan contingent on making the changes noted in this meeting. **Commissioner Zuckerman** seconded the Motion. Motion passed unanimously.

#### Approve Monument Road section of the 216<sup>th</sup> Main Replacement Project

**MOTION - Commissioner Powell** made a Motion to approve separating the Monument Rd portion of the 216th/Monument project, with Warren Perkins proceeding with permitting and plan approval for the entire project, followed by sending out the Monument portion for bid as soon as feasible; **Commissioner Zuckerman** seconded the motion. Motion approved unanimously.

#### Approve Wellsite SCADA upgrade

**MOTION – Commissioner Weller** made a Motion to approve the S & B proposal for the well site SCADA upgrade as presented this evening; **Commissioner Powell** seconded. Motion approved unanimously.

#### • **BOARD – DISCUSSION/TABLE/MORE INFORMATION**

- Discuss future CIP funding and the need for WSP approval -
- Update on 115<sup>th</sup> temporary tank and booster system – **General Manager McRae** has contacted the owner of the property and they have no issues with the new tank/fence that the district will install. We are hoping to start sometime late September or early October.

- ERU recommendations & discussion – The Board tabled discussion as they are not ready to revise the current policy.

- **ADMINISTRATION REPORT**

- General Manager's report – **General Manager McRae** reported to the Board that he has hired James Rossi a WTPO 3 Certified Operator. He's expected to start sometime in August
- Financial report through June 2020 – budget to actual for June.
- Production report through June 2020 – **Commissioner Weller** inquired about the Treatment Plant operations and productions. **General Manager McRae** replied that we've been running both Beall and Ellis creek, using both filters without problems. The district has been producing quite a bit of water lately. Turning the Treatment Plant off at night and just running the wells until the SCADA system is running smoothly.

MOTION - **Commissioner Powel** made a Motion to conclude the meeting at 8:39 PM; **Commissioner Zuckerman** seconded. Motion passed unanimously.