

WOODINVILLE WATER DISTRICT
1415th Regular Meeting
January 19, 2021

ATTENDANCE

Commissioners: Chuck Clarke, Dale Knapinski, Pamela J. Maloney, Tim Schriever, and Karen Steeb
Staff: Patrick Sorensen, Ken McDowell, Jack Broyles, Darcie McAlister, Steve Brown, Nicholas Tan, Sandra Tachibana, and Jane Nicholls
General Counsel: William Linton

CALL TO ORDER

Commissioner Clarke called the meeting to order at 5:00 p.m.

ROLL CALL

Commissioners Clarke, Knapinski, Maloney, Schriever and Steeb along with Attorney William Linton were all present via Microsoft Teams video conference. Dial-in information was posted with the agenda on the District's website.

ITEMS FROM THE PUBLIC

David & Linda Otto currently residing in California attended via Microsoft Teams to address their request for a water use exemption for a lot located off NE Woodinville-Duvall Rd.

ADDITIONS OR DELETIONS TO THE AGENDA: None.

MEETING AGENDA APPROVAL

It was moved by Commissioner Knapinski and seconded by Commissioner Steeb to approve the Meeting Agenda. Vote 5-0-0. Motion carried. So ordered.

MINUTES APPROVAL

7 (a) December 15, 2020 Regular Meeting Minutes

It was moved by Commissioner Knapinski and seconded by Commissioner Steeb to approve the revised December 15, 2020 Regular Meeting Minutes. Vote 5-0-0. Motion carried. So ordered.

CONSENT AGENDA

8 (a) Sign Monthly Vouchers

- Water Maintenance Fund (09-104-0010), Vouchers #98509 through #98573 and Payroll Advice #8843 through #8953 in the amount of \$973,216.59
- Sewer Maintenance Fund (09-104-0510), Vouchers #27176 through #27186 in the amount of \$333,010.61

- Water Construction Fund (09-104-3010), Vouchers #35387 through #35394 in the amount of \$323,804.52
- Sewer Construction Fund (09-104-3510), Vouchers #40970 through #40970 in the amount of \$8,055.70

1/11/2021 A/P, 1/19/2021 A/P 12/22/2020, 1/5/2021 and 1/19/2021 Payroll A/P

It was moved by Commissioner Knapinski and seconded by Commissioner Maloney to approve the Consent Agenda. Vote 5-0-0. Motion carried. So ordered.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

OLD BUSINESS: None.

NEW BUSINESS:

11 (a) Otto Request for Water Use Exemption

Staff have been contacted regarding a request for an exemption to be required to connect to the public water system. The applicant, David Otto, has indicated that there is an existing well on the property he purchased in March of 2020, lot No. 0926069194. Four neighboring lots are currently using the well on the Otto property, and that he would also like to connect to the well.

As staff do not have the authority to grant exemptions from connecting to the public water system, it was suggested that Mr. Otto approach the Board and/or appeal to the King County Utility Technical Review Committee, (UTRC). The distance from an existing water main to Mr. Otto's property is 520 feet. Woodinville Water District Code requires that developers requesting service must bring the water main to and through the property to be served. This would require a water main extension of over 1,150 feet.

Staff discussed with Mr. Otto the ability to apply for a variance to the code that would allow him to shorten the length of the required water main extension. Due to the location of the future home, the property could be served with a water main extension of approximately 760 feet, leaving the length of the backside service line to 300 feet, or they could shorten the main to around 460 feet and pay an Equity Cost for the longer backside service line. Even with the shortened water main requirement and the Equity Cost included, the cost to serve this property with Woodinville Water District would exceed an estimated \$100,0000.

The applicant has indicated in his letter that according to the Engineering Department, he could expect to have water pressure issues with a long service line. This is true if a large enough service line is not used for the backside service. The reason WWD would require a Hold Harmless Agreement is in case they did not install a large enough backside service line to support a fire sprinkler system.

This property is 4.02 acres in size, and the zoning in this area is RA5P; which allows one residential unit per 5 acres. Therefore, this property is not large enough to subdivide anytime in the near

future. Staff have discussed this issue with the District Attorney and agree that public water is available for this property, but that the costs may exceed the benefit. Reviewing the letter from Seattle-King County Public Health, Eastgate Environmental Health Services; the King County UTRC is the entity that has the authority to approve an appeal to a Water Availability Certificate. Staff would be acceptable to providing a letter to Mr. Otto that would indicate the District would not object to the use of a private well in this circumstance.

Mr., Linton reviewed all documentation and found nothing out of order that would prevent the District from writing a letter to King County stating the District would not contest the Otto's request to hook up to the existing well on their property. Mr. Linton recommended the letter put emphases on the excessive cost of hooking up to public water service as a key issue in requesting a variance. Mr. Linton reviewed the reasoning behind the District's recommendation to deny this request due to the limitations of the District's authority.

The Board had questions regarding fire protection for the home and the Otto's said they have already agreed to install a fire sprinkler system. The Board also questioned the future possibility of the private well failing and what liability the District might have. Mr. Mc Dowell clarified that the well was approved for use in 1989 long before the District installed a water main in the area in 1995. All properties using the well would be responsible for their own solution, including hooking up to the public water supply, if the private well ran dry at some point in the future.

Mr. Linton will draft a letter to King County Technical Review Committee for Mr. Sorensen and the Board to review. The Board wished the Otto's the best of luck with their request.

It was moved by Commissioner Knapinski and seconded by Commissioner Schriever to deny the request for an exemption letter and to refer the matter to the King County Technical Review Committee with a letter indicating the District would not object to the use of a private well for Mr. Otto on parcel No. 0926069194. Vote 5-0-0. Motion carried. So ordered.

Commissioner Knapinski has announced his intention to resign from the Board of Commissioners.

11 (b) Excess Capacity Charge Discussion

Once the Board directed District staff to proceed with the development of the "new" rate structure, the Board also directed that the District should not rely on ECC collections to fund "one-off" operational items. The 2013 budget year was the first year of ECC implementation and from 2013 – 2018, the region experienced much warmer and drier than typical summer weather. As a result, the "unbudgeted" revenues that ECC brought in were substantial during this period. A discussion between the Board and staff occurs each autumn that is centered on ECC collections and where to allocate the funds. Each of the previous years has resulted in slightly different direction from the Board:

- 2013 Collections – Restore the District's "Rate Stabilization Fund" (which had been used to offset low revenues in 2011) and rebate the remaining balance of approximately \$360,000.

- 2014 Collections – Transfer the entire amount collected (approximately \$525,000) to the District’s Water Construction fund.
- 2015 Collections – Rebate \$25 per residential account at a cost of about \$313,000. Transfer the remainder (approximately \$400,000) to the District’s Water Construction fund.
- 2016 Collections – Increase the rate stabilization fund by \$177,000. This is the District’s “rainy day fund” and its funding level is prescribed by the District’s financial policies. The remaining proceeds (approximately \$326,000) were transferred to the District’s Capital fund.
- 2017 Collections – The majority of the collections received in 2017 were transferred to the District’s Capital fund. A small amount (around \$38,000) remained in the District’s operating fund to offset the cost of the District’s low-income rate program.
- 2018 Collections – The rate stabilization fund balance was increased by about \$113,000, \$38,000 was retained in water operating fund to cover cost of low-income, and the remaining balance of \$534,000 was transferred to the District’s construction fund.
- 2019 Collections - \$28,000 in ECC collections were retained in the water operating fund and the balance of \$532,000 was transferred to the District’s Water construction fund.

The District’s transfer of over \$3.5 million to the Water Construction fund over the past seven years (along with extremely large consumption charge revenue due to dry weather) has allowed the District to further self-finance water construction projects, lengthened the time between new debt issuance at the District, and has saved ratepayers thousands of dollars related to the costs of debt issuance and debt service payments.

In June 2016, the Board passed a best use practices resolution (Resolution No. 3843) which directs several possible uses of the collections and stipulates that the collections should not be used in a “one-off” manner.

2020 total ECC collections are estimated at \$566,000. Suggestions for use follow:

- 1) Cover the cost of the 2019 - 2020 low-income rate program. I estimate those costs for 2019 - 2020 at over \$31,000. Remember that the low-income program runs from July 1 – June 30 of each year; the 2019 - 2020 year ended June 30, 2020.
- 2) Transfer the remaining balance of approximately \$535,000 to the District’s Capital Fund.

The Board thanked Mr. Broyles for the excellent presentation which was very clear and concise. Mr. Linton reviewed the lien process and answered questions from the Board and staff.

It was moved by Commissioner Steeb and seconded by Commissioner Maloney to approve ECC distribution in a manner consistent with the Board’s directives with 2020 funds to be used for the low income rate program and the remaining \$535,000 balance added to the Capital Fund with the caveat that we can reverse the transfer from capital, if needed, to

cover the District's seriously delinquent account situation. Vote 5-0-0. Motion carried. So ordered.

Mr. McDowell introduced the new Engineer Nicholas Tan to the Board. The Board welcomed Mr. Tan to the District and congratulated him on his new position.

11 (c) DGR Development Inc Variance Water V2002

DGR Development Inc. owns parcel 0526069049 in King County as shown on the attached site map. The site is zoned RA5 and is 0.87 acres in size. The applicant is requesting a variance allowing them to not be required to extend a water main through their property. The Water Availability Certificate indicated that a water main extension would be required on Paradise Lake Road approximately 728 feet to reach the eastern property line, if extended north, of parcel 0526069049. With the approval of a variance, a new meter would be installed along Paradise Lake Rd and a long backside service line would be allowed to serve the property.

Staff is agreeable in allowing a water variance under the following conditions: When the existing watermain gets extended in Paradise Lake Rd. to the most eastern edge of the parcel line at 0526069049, (if extended north), DGR Development Inc. will be allowed to install a meter on the edge of the right of way on Paradise Lake Road. The District will allow a private water service line of approximately 690 feet to be extended south to the developer's site.

The property south of this lot is already served by public water and an 8-inch water main extension will therefore serve no one and will only create water quality issues. A 15-foot easement through parcel 0526069049 will be required for future extension of the water main. DGR Development Inc. shall pay an equity cost of \$27,754.44.

Commissioner Maloney thanked Mr. McDowell for his excellent explanation of equity cost in-lieu-of-extension. Commissioner Clarke mentioned he likes the staff recommendation provided in the agenda packet.

It was moved by Commissioner Maloney and seconded by Commissioner Steeb to grant a variance to District Code Section 4.04.001 B(5) requiring an extension through the developer's property subject to the following conditions:

- **Applicant to apply and receive a Water Availability Certificate within 60 days of this meeting date. This variance approval will be valid for the duration of the Water Availability Certificate, which is one year from the date of the General Managers signature.**
- **Applicant to provide an easement for future watermain extension thru their property.**
- **Applicant to pay an equity cost of \$27,754.44.**

Vote 5-0-0. Motion carried. So ordered.

11 (d) Award Professional Service Agreement to RH2 for the D-39 Eastridge Elementary School Main Improvement Project

Some of the projects identified in the 2017 Water Supply Plan deal with low fire flow to public schools within our District. This project is located near the Eastridge Elementary School and addresses the issue of low fire flow. Approximately 1,702 feet of 8-inch DI pipe needs to be replaced with 12-inch DI pipe around the school location. This project also includes another 800-foot section of water main to be added to the system northeast of the Eastridge School.

Staff reviewed the MRSC Rosters for Engineering Firms to choose a consultant for this project. RH2 has been chosen and a scope-of-work and fee has been negotiated for the design and bidding phases of the work. In addition to the design work, a new easement will need to be negotiated with the property owners for the 800-foot section located on NE 166th St, from 227th Ave NE to 232nd Ave NE. An amendment will be brought back to the Board for approval of the construction phase of the work. The amount of this contract is \$172,627.00.

It was moved by Commissioner Maloney and seconded by Commissioner Steeb to award a Professional Services Agreement with RH2 for design and bidding services for the Eastridge Elementary School Water Main Improvement Project in the amount not to exceed \$172,627. Vote 5-0-0. Motion carried. So ordered.

REPORTS

- (a) General Manager's Report - Mr. Sorensen reviewed the report with the Board. There was a brief discussion regarding proper procedure to replace Commissioner Knapinski's Board position. Further discussion will take place in executive session at the February 2, 2021 meeting. The Board is in favor of the current Annual Retreat Itinerary.

- (b) Engineering Report - No Report

Commissioner Steeb requested a five-minute break and the meeting was adjourned at 6:25 for five minutes. Commissioner Knapinski said his farewell and left the meeting at 6:25 pm. The meeting was resumed at 6:30 pm.

- (c) Finance Report - Mr. Broyles mentioned there are currently 223 past due accounts totaling \$99,325. There has been a large and sudden increase in the number of delinquencies. Reminder letters are sent weekly with revised language that informs the homeowner that Utility charges cannot be waived and that their bill will need to be paid at the end of the disconnection moratorium.
- (d) Operations & Maintenance Report - Mr. Brown provided details of a main break on December 30, 2020 affecting water service to four properties for approximately four hours. Two properties had some damage and one property owner has filed a claim with the insurance pool. Mr. Brown said the crew did an excellent job finding and fixing the break very quickly. Mr. Brown shared an ICS Form with the Board. The Board requested a presentation be given on the Incident Briefing Forms at a future meeting.

Mr. Brown also provided information on the recent January 13, 2021 windstorm which caused a power outage lasting approximately 7 hours (12:00 am to 7:00 am) affecting the District Office and the Hollywood reservoir. All four generators used worked perfectly, there was no disruption

of water service. Commissioner Steeb thanked staff for their hard work and sleepless night during the storm.

- (e) Quarterly Reports - Staff reviewed the report with the Board.
- (f) MWPAAC - The next meeting will be January 27, 2021 featuring a discussion on redlining capacity charges.
- (g) Seattle System Operating Board - At the last meeting there was discussion on discontinuing water service for the Annual Backflow Testing not being completed in a timely manner. There was a broad range of opinion on this topic. The next meeting will be February 2, 2021.
- (h) Sno-King Water District Coalition - Mr. Sorensen provided a copy of the last email from lobbyist Steve Lindstrom with legislative updates. The next meeting will be February 8, 2021.
- (i) Snohomish River Regional Water Authority (SRRWA) - No Report.
- (j) Washington Association of Sewer and Water Districts (WASWD) - The January meeting was cancelled. The next meeting will be February 8, 2021 due to the President's Day holiday. Commissioner Steeb provided a legislative update.
- (k) Wellness Committee - No Report.
- (l) Attorney's Report - Mr. Linton reviewed the details of RCW 42.12.070 pertaining to filling nonpartisan vacancies. There will be an Executive Session in the February 2, 2021 meeting to discuss the timeline and details for filling the vacant Commissioner position.

COMMISSIONER'S COMMENTS:

Commissioner Schriever asked how the vacant position would be advertised and was advised the Board will discuss the process in executive session at the next meeting.

COMMISSIONER CALENDARS:

All four Commissioners said they will be available for the February 2, 2021 meeting.

ITEMS FROM THE PUBLIC: None.

EXECUTIVE SESSION: None.


ADJOURNMENT

Commissioner Clarke adjourned the meeting at 7:19 p.m.

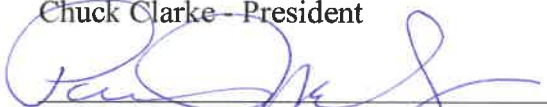
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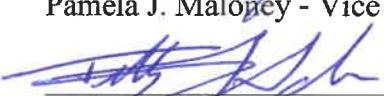
Tim Schriever - Secretary



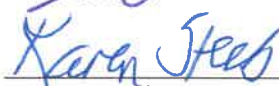
Chuck Clarke - President



Pamela J. Maloney - Vice President



Tim Schriever - Secretary



Karen Steeb - Commissioner

Minutes: Jane Nicholls