



Deer Creek Water Association

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Dave Black -Vice President
Leroy Rohde -Director
Paul Jordan -Director
Vinson Latimore -Director
Liz Hale -Director

Douglas Wittinger -Secretary/Treas.

Annual Board Meeting Minutes Draft October 19, 2023

Meeting Location: Ferndale Library – 2125 Main Street

Directors in attendance: Dave Black, Leroy Rohde, Paul Jordan, Vinson Latimore, Liz Hale and Secretary/Treasurer Douglas Wittinger.

Members in attendance: John Dlouhy, Stephen Hendricks, Steve Oltman, Jerry Leuenberger, Jerry Manthey, Jim Costley, Patrick Griffin, Alexander & Chelsea Armstrong, Jim Haugo, Wes Haworth, and Don & Maria Webster.

Agenda items:

1. Call to Order and Proof of Quorum:

The Secretary/Treasurer, Douglas Wittinger, introduced President Dave Black who called the meeting to order at 6:45 p.m. The Board members introduced themselves and spoke about our need for additional Directors.

The Secretary/Treasurer noted that the guests in attendance were proof of the meeting notice and shared that we appear to have a quorum this evening, although it will be close.

2. Proof of Notice of Meeting:

The Secretary/Treasurer also noted that the meeting agenda and proxies were mailed within the parameters specified by our bylaws, which is no less than 10 days' notice and no more than 40 days' notice.

3. Reading & Approval of the draft 2022 Annual Meeting Minutes:

President Black asked for a motion to approve the 2022 Annual Meeting minutes. A motion was made and seconded. The vote was unanimous.

4. Unfinished Business: there was none to discuss

5. Reports From Officers or Committees:

✓ Expenses vs, Budget:

The Secretary/Treasurer displayed the report on the big screen in the meeting room. boundary. We spoke about Supplemental Income, Dues & Subscriptions, Repairs & System Maintenance, Utilities and Construction & Engineering.

A shareholder inquired about the Traffic Circle project. The Secretary/Treasurer noted the project will go out for bids in November with construction commencing in the Spring of 2024.

- ✓ Balance Sheet
The Secretary/Treasurer displayed the Balance Sheet on the screen. We upgraded our Aldrich Road water main and contributed to the construction costs of 2 projects.
- ✓ 2024 Adopted Budget
We are experiencing higher maintenance costs due to the age of our system. We anticipate higher water sales in 2024 due to hotter weather. A shareholder asked if the costs related to the cellular modem upgrade are complete. Yes, we had to purchase a bit of hardware but now its monthly phone service costs.

On page 3, Line 90, Total Admin & Operating Expenses are creeping higher than the previous year. We are still able to cover the increase with our current rates. The capital projects list is long, and we will be lucky to get one or two projects completed from the list. A shareholder inquired about our emergency reserves. The Secretary/Treasurer replied that our funds do not reside in separate accounts (emergency reserve, operating reserve, etc.); rather, they reside in one account with the separation being on paper in the budget.

Another shareholder inquired about the Kline Road capital project. Presently, the City of Bellingham serves about 34 DCWA members along Kline Road, through a meter located at Guide Meridian. DCWA is looking at building a water main from Kelly Road and connecting it to our pipe in Kline Road, which would allow us to serve those 34 customers. Another member asked if they could stay connected to Bellingham water if the members chose to.

6. Election of Directors –

The Secretary/Treasurer inquired if everybody received a ballot when they came in. Ballots and pens were handed out.

There were 792 eligible voters for this election. A quorum is 20% or 158 ballots. We had 154 ballots returned prior to tonight's meeting, and we received 22 ballots tonight. This gives us 176 ballots received and therefore a quorum. Dave Black, Paul Jordan and Liz Hale were all re-elected.

7. New Business –

- ✓ Consolidation of Neighboring System
The Secretary/Treasurer mentioned the requests we have received from Kelly Road Water Association, asking for water and a permanent connection. DCWA applied for a grant with the State to study a possible consolidation of KRWA into DCWA. The process is more complicated than extending a pipe to serve KRWA. We looked at a map showing the general area and how much pipe would be needed to serve KRWA. A shareholder asked if we could acquire KRWA's water right. Yes, we could – but their water right is only a couple gallons per minute. The grant will analyze the project costs, water rights, water quality, etc...
- ✓ New Water Mains Installed
In 2023, about 2,000 feet of 8" pipe was installed to serve 13 new properties. This project is located along East Axton Road, about ½ mile west of Hannegan. Also, along Aldrich Road, we upgraded over 4,000 feet of pipe with a new 6" pipe. The last project is along West Axton Road, just west of the Guide.

We contributed to the construction costs of running a new 4" water main a couple hundred feet to serve a small pocket of unserved properties.

✓ Annexation Along Guide Meridian

The City of Bellingham has proposed an annexation called the Meridian / Kelly / Kline or MKK. It includes 34 current DCWA customers. If annexed, these properties would become City residents and would no longer be DCWA customers. These customers all receive their water from the city and the City's water costs much more than DCWA's cost, so we lose money every billing cycle to pay for this difference.

✓ Electronic Controls of System

We made some improvements in our Booster Station to accommodate larger flows (more customers) from the potential of running a new pipe to serve KRWA and beyond. The point was to make sure our booster pumps were sufficiently sized in case the system expands. We installed a large meter and made some enhancements to the computers running the equipment.

Also, our system can now be operated through our smart phones. In the past, we had to drive to each location to see if there was power, or some problem. Now we can open an app on our phones and within a few seconds, see what problems may be occurring and resolve it immediately.

✓ Traffic Circle

We looked at a map of the proposed project at East Smith and Hannegan. The road intersection is being moved east and north, and as a result, about 2,000 feet of DCWA pipe will need to be re-located.

A member inquired if rates will increase next year. The Secretary/Treasurer replied no, but DCWA needs to look at our increasing costs and increasing need to maintain our ageing system. Our membership fee has not kept up with inflation and we will need to review this primary source of revenue for replacement of our system.

8. Adjournment

The library staff gave us notice that our time was up so President Black adjourned the Annual Meeting at 7:55 p.m.

Douglas Wittinger
Secretary/Treasurer