



Press Release

For immediate release

North Whidbey Pool, Park, and Recreation District Replaces the Boiler at the John Vanderzicht Memorial Pool

The District Board of Commissioners (Commissioners) recently voted at a special meeting to hire Northwest Thermal Hydronics, LLC. (Contractor) to replace the aging boiler at the John Vanderzicht Memorial Pool (JVMP) for \$152,460.00. The plan is to replace the boiler during a shutdown scheduled for the week of December 27, 2021. The decision was made in a special meeting only after the District accepted their bid at their July 27, 2021, regular meeting. The special meeting authorized the District Director to sign the contract and provide a Notice to Proceed to the Contractor. The boiler will take approximately 14-16 weeks to build, leaving a month to ship to Washington.

The District's 39-year-old boiler is currently working, and the pool is fully open and operational, but the District does not want to play the waiting game. In 2014, the District conducted an energy audit of the JVMP. At that time, Integrity Energy Services determined the boiler was at the end of its economical life and estimated no more than ten years of useful life.

An economical life is how long an asset generates more income than it costs to maintain and operate.

The existing boiler is a non-condensing, limiting the system's efficiency because the boiler cannot extract heat from the combustion process. Replacing the boiler with a dual-condensing boiler should reduce the cost of operating the pool because it will use less gas, which is one of the District's most expensive costs. The District installed the boiler in 1982 to provide heated water to the entire facility. It now only needs to heat the main pool and training pool. The District has redesigned the boiler's system throughout the years, but repairs are getting more costly. The latest repair needed is a new flue estimated to cost the District between \$7,000.00-\$8,000.00. The District is at a point where it can keep replacing pieces, but like a car at a certain point, you should stop replacing the pieces and replace the whole.

When the District's Board of Commissioners hired District Director, Jay Cochran, they tasked her with finding funding for the two of their most significant projects at the JVMP: repair and replace the roof as needed and replace the boiler. Cochran began reaching out to other community stakeholders and leaders trying to learn about funding options in Washington. Cochran did secure a grant for \$250,000.00 for the roof repairs with the help of Congressman Dave Paul through the Community Local Program through the Washington Department of Commerce. Cochran also researched USDA Guaranteed Loan Program but understands the program has changed, and this project is now ineligible for that funding. Cochran also received names of local public finance companies experienced in assisting local governments and special districts through her search. The District selected Martin Nelson & Company because of their extensive knowledge in financing options for local governments and could help the District explore financing options.

The financing process can work in two ways. In the first case, a bank can draw the funds from its depositors, or second a financial company can sell bonds to private investors.

Interest rates are so low that it is advantageous for the District to finance the project because it allows the District to keep that cash on hand for other projects. Local governments can finance projects without a vote and pay the financing back through their maintenance and operation levy and revenues they earn during the financings life. It is most common for local governments to finance capital projects so operating cash can support programs.

The District is still researching to see what is the most beneficial funding option is available, but they have not settled on one method. Just as people shop around for house loans, local governments shop financing and funding programs, looking for the best rates and terms that help meet their desired goals.

Martin Nelson & Company has offered a few different financing approaches because they understand the District's need to complete the project while preserving as much cash as possible and help local governments build economically healthy communities.

Currently, the District's financials are the strongest they have been in the past ten years. The pandemic forced the JVMP to close, and when allowed to open at reduced capacity. The District raised patron fees to help cover the loss. Since reopening at full capacity, the District has lowered the fees, but the cost of doing business continues to rise through staffing and operational cost. The District is trying to be as conservative with the cash flow as possible to continue repairing and replacing equipment in an aging facility.

Other projects the District needs to complete are installing an ultraviolet (UV) sanitizing system that works with the JVMP chlorination system. A UV pool system uses the power of ultraviolet light to enable aquatic facilities to lower the chemical content and eliminate chlorine byproducts, making pools safer, healthier, and easier to maintain. These systems can cost between \$20,000.00-\$40,000.00. The District also needs to renovate the locker rooms, replace the heaters, and improve lighting in the parking lot. The District will continue to seek other forms of funding to lower the financial burden on District residents, but in the end, they still need to upgrade the facility to keep it safe, healthy, and working for years to come.