

Ames Lake Water Association
Board of Directors Meeting February 13, 2018
7:00 P.M.

Meeting Minutes

- Call to Order

David Hoffmann (President) called to order the regular meeting of the Board of Directors of **Ames Lake Water Association (ALWA)** at **7:00 PM** on **February 13, 2018** in the Association's business office.

- Roll Call

The following Board members were present (in addition to Mr. Hoffmann): Sherri Zucker (Treasurer), Jeff Villnow (Secretary), Merlyn Blue, and Michael Bicak.

Also present: Bob Pancoast (ALWA Water System Manager); Kristina Myers (ALWA Business Manager); Richard Jonson (counsel); Warren Perkins (Gray and Osborn); and Kevin Guiberson.

- Business from the Floor - None.

- Consent Agenda

The Board reviewed contents of the Consent Agenda, containing:

- Minutes of the January Board meeting,
- Membership Transfers,
- Water Loss adjustments and,
- Aging Accounts.

Merlyn moved to approve the consent agenda, Michael seconded. All approved

- Financial Reports and Membership Count

Two new memberships were sold in January 2018 and through the date of the February Board meeting.

An overdue receivable from American Tower has been elevated to a reconciliation team. We've received \$14,414.40 to date and are preparing to negotiate a new antennae site lease agreement.

We anticipate signing the construction loan for the new building sometime during week ending February 24.

On February 14, David Hoffman moved via email to approve the check list and EFT list. Michael seconded. All approved.

- System Manager Report

- General Update on Recent Projects
 - Daniels Ranch PRV was repaired

- Main Line valve leak repaired
- Uncovered and patched 3 main valves that were paved over
- Uncovered and patched 3 fire hydrant valves that were paved over
- Replaced 2 Iowa Fire Hydrants and one hydrant foot valve
- 2018/2019 Operating Budget
 - We are currently developing our 2018/2019 Operating Budget. The anticipated schedule:
 - Feb. Board Meeting: Salary review and conceptual projects discussion
 - March Board Meeting: Present draft operating budget with projects
 - April Board Meeting: Finalize/approve operating budget
 - May 1 – New FY begins
 - 2018/2019 Salary Considerations
 - Evaluating personnel salaries as a component of 2018/2019 Operating Budget. A guideline for salary adjustments is the 2017 Seattle area Consumer Price Index of 3.5%
 - 3.5% COLA for current staff estimated is \$10,288
 - Retained current medical insurance programs, for which staff expressed gratitude
 - 2018/2019 Projects
 - ALWA Office and Shop Building
 - ALWA operations move to new building
 - Update backup electric system at Vista (office, wells, booster pumps)
 - Complete installation of backup power system, including replacement of 45KW generator with 125 KW natural gas-powered generator
 - Relocate 45KW generator to Tolt Hill Tank site.
 - Tolt Hill Tanks Booster Station power enhancement and design. This is a multi-phased project that has been on the books for several years. Key components:
 - Upgrade booster station – new building with multiple pumps, back-up generator, and telemetry
 - Two pressure reducing stations
 - 12-inch water main
 - Transfer of water service from 2-inch system to larger mains
 - Finalize/approve ALWA Water System Plan

- Iowa hydrant and valve replacements
- View Park Property
 - Hoffman and Bob met with the title company and signed documents
 - Sale proceeds (~\$217,000) were deposited in the Key Bank Building Project Account
- Vista Office/Shop Project:
 - Septic System
 - Septic company (Stuth) has been problematic.
 - Stuth does not do associated electric work. We were therefore required to hire an electrician (DJ Electric) to install electrical components of septic sensors, pumps, etc.
 - Schedule
 - Bob reviewed the overall project schedule, noting that packing and moving would likely commence in May. He also noted that the move process would likely involve some additional labor costs.
 - Security System
 - Internal security wiring is complete
 - Wiring contractor (TI Contractors) issued a credit for \$7,351.03 since they will not be installing the actual security system
 - Completed a contract with Sonitrol for the office/shop complex security system, except video
 - Back Fence
 - Bob discussed the need to repair our back-neighbor's fence

Michael moved to approve a contract with DJ Electric for \$3,685 (tax included) to complete septic system electrical work. Merlyn seconded. All approved.

Sherri moved to approve a contract with Sonitrol for installation of the security system at \$4,631.90, with monthly monitoring fees beginning at \$128/month. Michael seconded. All approved.

Michael moved to acknowledge disposition of Pattison General Contractor change orders 1-23 totaling \$14,530.41 (additional to contract amount of \$565,510.48). Merlyn seconded. All approved.

- Water Quality
 - As noted in the December and January Board meetings:
 - Jeremy inspected the water main, infrastructure, and Carnation Tanks on December 27 and 28.
 - On Dec 29 both Carnation Tanks were chlorinated, and Jeremy began flushing the 572 zone to distribute the chlorinated water. Approximately 35,000 gallons were flushed.

- After chlorination and flushing, three follow-up investigations samples were collected. All came back negative for coliform.
- To date after all inspections and flushing, no specific cause for the positive coliform samples has been identified. We will continue monitoring.
- Pressure Relief Valves
 - All 15 ALWA PRVs were serviced in January by GC Systems without issues
- Tolt Tank Project
 - As noted in Dec 2017, PSE got permits for extension of power from Tolt Hill Road to the ALWA Tolt Tank area
 - We had to supply additional easement details to PSE and are currently still trying to schedule the power cable install, now likely not until late February/March.
- Iowa Fire Hydrant replacement
 - ALWA has about 35 Iowa Fire Hydrants in use on older parts of the system that date back to the 1960s. Manufacturing has been discontinued, and parts are increasingly difficult to find. They are notoriously difficult to turn off after use or testing and Bob estimates that total hydrant losses related to these problems may approach 150K gallons per month
 - Leaking hydrants were tracked down and fully closed with difficulty. Associated water leakage appears to be significantly reduced
 - Leaking valve and other projects completed in Late January and early February should further reduce leakage. Bob and Jeremy will continue to monitor water loss over the next few months.
- King County Franchise/ROW Tax
 - Per previous meetings:
 - King County, after reviewing comments received on Ordinance 18403, issued minor revisions and finalized the rule which becomes effective on January 29, 2018.
 - KC will provide an estimate of Franchise Compensation to each affected utility. The utility will then have a “reasonable” opportunity to suggest adjustments to the compensation and reach final agreement with KC on the amount and type of compensation.
 - Franchise Compensation will be included in a new Franchise Agreement (ALWA’s is up for renegotiation in about 2020) but be back-dated to January 29, 2018 and subject to annual inflationary adjustment
 - King County has filed lawsuits against sewer and water districts seeking a Declaratory Judgement that upholds the validity of the Ordinance and Rule
 - Local water and sewer districts (~20) have organized to share legal expenses related to [ending legal action.

- Mr. Hoffmann called for an Executive Session at 7:18 pm to discuss legal strategies with counsel. At 7:41 pm the Executive Session concluded, and the regular session of the meeting resumed.
- Dick presented a proposal for joining other non-profit water associations to potentially engage/support lawsuits on the KC ROW fees. Attorney fees would be billed monthly (\$330-\$450/hour)

Michael moved to authorize Bob Pancoast to sign the Joint Defense Agreement and Agreement for Legal Services to engage Dick Jonson and David Jurca and work with other non-profits on the issues of KC ROW fees. The engagement requires an initial payment of \$1000 and authorizes a maximum of \$10,000 in total fees. Merlyn seconded. All approved.

- Consultant Reports

- Warren provided an overview of the 2018 Water System Plan using briefing charts provided to Kristina. Key highlights:
 - 10-year planning interval
 - Projections for population, water consumption etc. for 10 and 20-year planning horizons
 - Water use efficiency program; O&M program; emergency response plan; cross-connection control; design and construction standards
- Schedule
 - Final adoption by ALWA Board in spring 2018
 - Review by Dept of Health, Ecology, King County, and adjacent water utilities/associations
 - Responses to agency comments
 - Final approvals by Dept of Health and KC Council

- Business Manager Report

- Kristina reported a water loss issue from July 2017 involving a renter/landlord situation (Account 0504 – Matson. Adjustment of \$161.60). Following a missed payment, the ALWA business office made several unsuccessful attempts to discuss/resolve the situation with the property renter. They ultimately communicated the issue to the landlord. The Board discussed the situation and approved the water loss because the landlord had not been notified within the policy-required timeframe.
- Kristina also discussed a new water loss consideration for account 0950 -- Fecker. The member is requesting an appeal of a previous water loss decision.

Merlyn moved to deny the appeal and offer a payment plan option. Sherri seconded. All approved.

- Old Business – None
- Business from the Board – None

- Review of Action Items – None
- Executive Session – Nothing further.
- Next Regular Meeting

The next regular meeting will be **March 13, 2018, 7:00 PM** at the Association's business office.

- Adjournment

David Hoffmann adjourned the meeting at **9:50 PM**.

Minutes prepared by Jeff Villnow, Secretary.