

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

**Meeting Minutes**

- Call to Order

ALWA President David Hoffman was in route, so **Mark Freeman** called to order the regular meeting of the Board of Directors of **Ames Lake Water Association (ALWA)** at **7:00 PM** on **March 13, 2018** in the Association's business office.

- Roll Call

The following Board members were present (in addition to Mr. Freeman): Sherri Zucker (Treasurer), Jeff Villnow (Secretary), Merlyn Blue, Michael Bicak, and David Hoagland. David Hoffmann arrived 07:20 pm and took over as chair.

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

- Business from the Floor - None.

- Consent Agenda

The Board reviewed contents of the Consent Agenda, containing:

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

Sherri noted a change to the February meeting minutes to indicate that David Hoagland was not in attendance at the Board meeting.

*Merlyn moved to approve the consent agenda to include a change to the minutes as noted; Michael seconded. All approved*

- Financial Reports and Membership Count

*Sherri moved to approve the check list. Merlyn seconded. All approved.*

- System Manager Report

- ALWA Water Use
  - Water production in February was in the normal water use range (i.e. 4.2M gallons)
  - Unaccounted for water was 4.8% (down from 12.6% in Dec)
- Weather Outlook
  - NOAA published maps indicate Pacific NW conditions will be warmer and likely will be dryer than normal through the summer

- Based on the NOAA projections, Bob recommended using forecasted water sales numbers for 2017/2018 in the FY18 budget
- 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
  - Dick noted that several non-profit water utilities are continuing to explore joining together to intervene in litigation commenced by King County against water and sewer districts to collect the KC ROW fees.
  - Pursuant to a Board motion adopted at the last meeting, Bob signed an updated agreement for legal services related to the KC ROW fees (NTE \$10,000) and a confidentiality agreement. A check for \$1,000 was provided to Dick to initiate the agreement.
- Water System Plan (WSP)
  - Warren noted that no comments were received from the Board on the Final Draft WSP provided in the February meeting. He further noted that the Final Draft version was ready to submit to KC and related agencies for review and comment.
  - Minutes from the March Board meeting must be submitted with the WSP as part of the KC review package.
  - Following receipt of agency comments, the Board will be engaged to approve the Final WSP along with responses to agency comments

*Merlyn moved to approve the 2018 Final Draft WLWA Water System Plan and submit it to the regulatory agencies for comment. David Hoagland seconded. All approved.*

- 2018/2019 Operating Budget
  - Bob and Kristina presented a draft 2018/2019 operating budget for the Board’s consideration. The overall schedule remains as follows:

- March Board Meeting: Present draft operating budget with projects
- April Board Meeting: Finalize/approve operating budget
- May 1 – New FY begins
- In a discussion of salary budgets, Bob noted that the Seattle Area Consumer Price Index for 2017 was 3.5%
- Mr. Hoffmann called for an Executive Session at 7:22 pm to discuss staff salaries for the 2018/2019 operating period. Bob, Kristina, and Warren left the meeting. At 7:34 pm the Executive Session concluded, and the regular session of the meeting resumed. Bob, Kristina and Warren returned.
- The Board directed that a 6% salary escalation be included in the 2018/2019 budget (3.5% COLA, 2.5% merit)
- Bob reviewed the major projects in the draft budget, including
  - ALWA Office and Shop
  - Relocation of personnel and equipment to the new location
  - Update of the backup electrical system at Vista – office, wells, and booster pumps
  - Tolt Hill Tanks booster station power enhancement
  - Finalize and approve the WSP
  - Iowa fire hydrant and valve replacements
  - Ridgehaven well rehabilitation/ treatment building demolition
  - SCADA upgrade to 4G modems
  - Estimated Total Project Budget: \$243.1K
- ALWA Office and Shop Building
  - Complete construction, landscaping etc. to get occupancy permit
  - Acquire additional equipment and supplies for the new shop
  - Move ALWA operations to new building
  - Estimated Office/Shop Budget: Office \$20K, Shop \$10K, A/V Equipment \$7K = total \$37K
- 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.
  - Estimated budget: \$85K
- Tolt Hill Tanks Booster Station power enhancement and design.

- Phase 1 – Upgrade utility power; re-design and design for new building. \$70,000
  - Phase 2 –Construct new building, installation of low flow and high flow pumps and components; auto-start transfer switch and generator. \$530,000
  - Phase 3 – Transfer all services from 2-inch boosted main to the 8-inch main; abandon the old 2-inch main
- WSP Update
  - Adopt Final Drafty WSP March 2018
  - Begin review process (Dept of Health, Dept of Ecology, KC, adjacent utilities/associations
  - Respond to agency comments and meander through approval process
  - Approve Final WSP
  - Estimated Budget: \$4.6K
- Iowa Fire Hydrant replacement
  - ALWA still has about 25 Iowa Fire Hydrants in use on older parts of the system that date back to the 1960s.
  - Program to address approximately 6 hydrant replacements/year
  - Estimated Budget: \$40K
- Ridgehaven Well
  - Demolish old treatment building
  - Refurbish well house
  - Estimated budget: \$5K
- SCADA Upgrade
  - Required upgrade of 6 modems to 4G
  - Estimated Budget: \$5.5K
- Vista Office/Shop Project Update
  - We ran up against the end of the KC building permit period (March 30) and had to apply for a permit extension (\$153). The new permit will be posted on the job site when received.
  - Looking at late-April/early May move
  - Change Order Nos. 1-26 totaling for a net increase in project costs of \$5,462.96 were discussed.

*Mark moved to approve the net change in the project budget as represented by Change Order Nos. 1-6. Jeff seconded. All approved.*

- Discussion of ALWA communications and social media
  - Michael passed out a white paper exploring improvements to ALWA communications and use of social media and a general discussion of the topic ensued with the Board.
  - Hoffmann expressed a desire to focus on finishing the new web site and optimizing it for mobile apps. He also suggested that we move to secure basic social media channels, and then move toward deciding what we want to communicate before finalizing a plan for how to communicate.
  - Sherri suggested that this may be a good topic for a college marketing research project
  - Kristina offered to contact UW to discuss the possibility of marketing research project support
  - Kristina to also begin working on communication policies.

- Business Manager Report

- Kristina noted one new water loss report, and that it was within policy.
- Key Bank construction loan is not closed. Kristina recommended moving \$137,000 to the Key Bank construction account to pay Pattison Construction latest progress payment request.

*Sherri moved transfer \$68,500 from 1<sup>st</sup> Security and \$68,500 from Opus to Key Bank. Merlyn 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 **April 10, 2018, 7:00 PM** at the Association’s business office.

- Adjournment

**David Hoffmann** adjourned the meeting at **9:00 PM**.

Minutes prepared by Jeff Villnow, Secretary.