



MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF COMMISSIONERS OF  
SNOQUALMIE PASS UTILITY DISTRICT  
OF KING AND KITTITAS COUNTY, WASHINGTON

Held February 19<sup>th</sup>, 2019

A Special Meeting of the Board of Commissioners of Snoqualmie Pass Utility District was held at the Snoqualmie Pass Utility District office, 370 Treatment Plant Rd, Snoqualmie Pass, Washington, on February 19<sup>th</sup>, 2019. The meeting was called to order by President Powers at 6:02 PM. Commissioners Powers, Harja, Holman and General Manager Hastings were present.

This special meeting was held on a different date and location as the previously scheduled meeting was canceled due to weather and power outage.

**Roll Call**

|                       |                            |
|-----------------------|----------------------------|
| District Commissioner | William Powers (President) |
| District Commissioner | Lloyd Holman (Secretary)   |
| District Commissioner | David Harja                |
| General Manager (GM)  | Tom Hastings               |

**Approval of Agenda**

Motion was made by Commissioner Harja and seconded by Commissioner Holman to approve the agenda with no changes. Motion Passed

**2019 Officer Elections for Board President and Secretary:** The newly elected positions take effect immediately.

- Review the new resolution 2019-04. Request for Board Secretary to serve as the GM second auditor/signatory and review the Board Secretary new compensation.
- Commissioner Holman nominated Commissioner Powers for President. Seconded by Commissioner Harja. Motion passed
- Commissioner Holman nominated Commissioner Harja for Secretary. Seconded by Commissioner Powers. Motion passed

**Public Appearance**

None

**Public Comment on agenda items**

One person in the audience but had not questions.

**Public Comment on non-agenda items**

None

**Executive Session**

No discussion

## **Commissioner Reports**

None

## **Board Action**

- Approval of the January 14<sup>th</sup> meeting minutes. Motion made by Commissioner Harja to approve meeting minutes and seconded by Commissioner Holman. Motion passed
- Approval of vouchers including reviewing the OPUS bank operating, revolving, and payroll fund, includes customer refunds. (Vouchers \$145,662.83) Motion to approve the vouchers made by Commissioner Holman and seconded by Commissioner Harja. Motion passed
- Motion to approve the sewer credit for \$183.04 for the Tomlinson at 270 N. Olson Drive. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Motion to approve the Century Link bill for \$8,353.14 and ask Commissioners to sign the worksheet. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Motion to approve customer late fee credit of \$12.98 for on time payment. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Ask the Commissioners to sign the GM's time cards. Ask to cash in 40 hours of comp time. (I have 56 hours, 140 vacation, 170 sick) Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Resolution 2019-01- OPUS Bank Payroll account for \$100,000. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Resolution 2019-02- OPUS Bank Operating account for \$100,000. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Resolution 2019-03- OPUS Bank Revolving account for \$50,000. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Resolution 2019-04 Commissioner Compensation- change secretary pay to \$300 month. Motion made by Commissioner Holman and seconded by Commissioner Powers. Motion passed
- Resolution 2019-05 Public Official Bond for GM for \$50,000 insurance. Motion made by Commissioner Holman and Seconded by Commissioner Harja. Motion passed
- Resolution 2019-06 GM Expenditure limit of \$5,000 maximum. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Resolution 2019-07 Cancel Warrant to Frontier Precision. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed
- Resolution 2019-08 Cancel Warrant to USDA Forest Service C/O US Bank. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed

- Motion to purchase Mission SCADA system for the wastewater plant and spray field. These are the two remaining locations to update and are vital as the current RUGID system is failing. Motion made by Commissioner Holman and seconded by Commissioner Harja. Motion passed
- Motion to purchase a utility service body for the F-350. Quote with options is \$16,757 (\$3,534 is electric hoist) plus tax. Motion made by Commissioner Harja and seconded by Commissioner Holman. Motion passed

#### **PUBLIC ANNOUNCEMENTS:**

- Please do not store your “stuff” inside the hydrant houses.
- Please do not push snow up around or into the hydrants. SPUD is working hard to keep them all clear. If you damage the hydrant house on your property, we may repair and send you the bill. If an HOA hires a contractor to clear snow in a private community, why are they not clearing the hydrants?
- Commissioner Elections- position 1 and 3 are open this year
- As the District migrates to a new billing software, there will also be a new electronic payment portal. All customers will be asked to set up an account and payment method.
- Once the fixed radio read system is completed all customers will be asked to set up an account so that they can monitor their water usage.

#### **Water Conservation:**

- i. The District asks that customers continue to conserve water. We also ask that customers repair any known leaks on their property.
- ii. The District has purchased a fixed radio read system so that we can monitor customer usage daily. The systems hardware has been installed and the staff is receiving training on how to use the software. The system will generate a report for any meter that has had non-stop usage for 24 hours. This will allow us to alert the customer much sooner, thus conserve water. In the past month to months we have notified several customers and already saved over 600,000 gallons.
- iii. The District will be installing an inner tie valve and water flow meter between Alpentel and Summit so that we know the flow in Alpentel. Scheduled to complete during the summer of 2019.

## GENERAL MANAGER UPDATE ON MORATORIUM

- Moratorium update- I continue to work with the engineers to complete the water comp plan update.
  - i. Temporary Water Rights Transfer Request- In December 2018 the DOE approved the temporary water rights transfer request. This allows the District to temporarily move the water rights from well 2/3 over to well 4/5 until October 31, 2020. This water rights combination ensures that we do not violate the amount of water that is pumped at wells 4/5. This is not to lift the moratorium.
  - ii. Permanent Water Rights Transfer Request- The District has filed a new request to permanently move these water rights. We are asking for one water right to cover all four wells (instead of two separate water rights). This was publicly advertised in January 2018. As of February 2019, the public comment period has ended. Aspect Consulting is working on multiple reports for the DOE to support our request of the transfer. We have also asked the DOE for priority approval to fast track this process. It appears that even if the process moves smoothly that it could take up to four more months until we receive the final approval.
  - iii. The District is working with Aspect Consulting to assist with water rights issues in both counties. We are asking the DOE to combine the two water rights in King County into one water right. We are asking the DOE for a “foreign water” credit in Kittitas County because the potable water comes from Snoqualmie River water shed and is discharged into the Yakima River water shed. We are asking for water rights credit for this foreign water. We are working on identifying a well location in Kittitas County. We are also working with them to monitor well 4 and 5 reservoir levels to determine what type of cleaning should be performed next spring. Hope to meet with the DOE later this month.
  - iv. The GM has met and will continue to meet with DOE staff in both King and Kittitas County to explain our story and continue to seek stakeholders to share and approve our vision and requests.

*The Commissioners discussed the many paths that the District is working on. They instructed the GM to continue to work on all paths possible so as to end the moratorium as soon as possible.*

## OLD BUSINESS

Discuss the lab results on Mr. Hohmann's boiler sample. SPUD staff looked at this and notice that it appeared to be metallic in nature. Using a magnet, it confirmed our suspicion as most of the debris stuck to the magnet. I also noticed solder and a nail in the sample. This debris is not from the potable water system. The sample was taken to AM TEST contract lab. Copy of report given to Commissioners and Mr. Hohmann. This results indicate that the sample is mostly iron. As the GM I believe that this sample is simply years of debris from the boiler making hot water since it was installed in 2001. This is the "left over" residual of the boiler making hot water. I recommend that we do not pay his boiler contractor invoice. The customer stated that he flushes the boiler every year and believes that something occurred recently in the District's potable water system. The Commissioners discussed the need for more flushing in the Village area and directed staff to collect a water sample. The GM commented not sure what I will sample for or where due to winter conditions. The cold weather makes it difficult to flush hydrants and collect representative samples. The District will collect a sample and take it to the contract lab and continue to monitor this situation.

### General Manager Report

- The cost to improve our District's water and sewer system continue to be significant. We continue to work with a water engineering firm, a wastewater engineering firm, a consultant to help with water issues, a water rights attorney, the District's general counsel attorney, and an attorney on a pending legal issue. I just want the Commissioners and public to be aware that we are doing everything we can and exploring all options to end the moratorium as soon as we can. The next significant date is March 11<sup>th</sup>, 2019 when we will review the status of the moratorium. At this time the District may choose to extend the moratorium for several more months. *The Commissioners discussed and directed the GM to review all necessary data and paths that are being explored so as to give the most accurate forecast as to when the moratorium may come to an end.*
- Chlorine- at this time due to the lack of cross connection surveys (67% returned) being completed and given the number of leaks in the system, it is vital that the chlorine remain on. Chlorine is added as a barrier to protect human health. Receiving 100% of the accurately completed surveys is just the first step. Homeowners that have a backflow device then need to have a certified contractor test the device and supply the District with the results. District staff is reviewing the surveys that have been submitted and many are incomplete and/or likely inaccurate. Staff will likely need to visit these homes and complete an inspection to ensure the accuracy of the survey.
- Review finances- At the county we have \$1,693,733.18 At the bank, as of 1/31 we have \$181,896.89 total in all three accounts. Total funds available is \$1,875,630.07
- January water sold less than previous two years.

- January water reports shows missing water at 13%. Approx. 14 gpm leaking. Same as previous month.
- Building security. We have been working on installing cameras at our three main buildings. Cameras have been installed inside and outside as we hope to deter theft. Working on a fence quote and installation for next year with a budget of approx. \$100,000. Due to multiple break-ins at District facilities we will be searching for a contractor to install heavy-duty secure doors. Discussion about illegal parking and trespassers at the end of Hyak Drive East and SPUD property. Talking to the county about the turn-around and fence placement.
- We continue to work with Sensus on the new fixed radio read system. We are working on connecting the remaining meters to the tower and will have further training on the analytics software in March.
- Vision was on site in January to work on the new municipal software. This migration of data from our current billing software to Vision software will continue in February. This month staff is working on cleaning up the data in the current billing system to ensure we do not transfer bad or unwanted data into the new system.
- With the new Vision municipal software and billing system we will also move electronic payment over to Invoice Cloud. More information will be sent to customers on how to set up this new payment system. It is much easier to use then the current system that we now use.
- The District is no longer sending the courtesy bill to tenants. The cost and time is simply too great to continue. Ultimately owners are responsible for the bill. District staff should not be wasting time sending bills and tracking down payments from tenants.
- Large water meter order has arrived, and staff are installing meters. Staff has installed two snow making meters and will be working on well 5 source meter.
- WA State Auditors have completed the audit and reports have been sent to the Commissioners.
- Request a motion to purchase a Mission Communications SCADA system for the wastewater plant and the spray field. Cost \$8,344.17 and \$15,649.20 for total of \$23,993.37  
*Commissioner Holman asked if this was the same system installed at other facilities and if there were any more that need to be installed. The GM response was yes this is the same brand we installed at other facilities and these are the two remaining facilities that need the upgrade.*
- Sewer credit for Tomlinson's at 270 North Olson Drive. The District notified the owner of high usage. Working with the owners it appears that the service line leaking between the

house and the meter. Ask the Commissioners to not collect for the sewer usage charge at this time. The billing software will charge and continue to add to their balance, but we can hold off on collecting until they confirm the location of the leak and confirm that they are eligible for a sewer credit. *The Commissioners agreed that we are tracking but the owner may be responsible depending on where the leak is located at.*

- Review the Century Link bill for 190 Tanner Way. While auditing the billing system I noticed that this account was set up as a single-family rate code. They are in fact a commercial account. Going back for 72 months (as WA state law requires) I have calculated that they owe \$8,353.14 *The Commissioners agree with the charges.*
- The GM is working on a request for qualifications to go out to bid for a water engineer.
- Bureau of reclamation water smart grant opportunity. I am working on a grant up to \$75,000 for water conservation projects. I have begun discussion to better understand the process and what projects will qualify. *The Commissioners directed the GM to continue to explore the availability of grant money.*
- Discuss the need for 2019 Commissioner officer elections. Discuss with the Commissioners the need for one of them to act as my auditor. Much of my work, especially financial matters require a second person to review my work. By having a Commissioner involved we can ensure that my work is audited once per week and suffice the auditor's requirements of safeguarding our finances appropriately. At this time a Commissioner would be paid at the daily rate for this 1-2 hour per week audit and update. Would be best that this Commissioner also be the board secretary. *Commissioners discussed and agreed.*
- Staff is working on the District goals for 2019. They have been working on indoor projects and writing policies etc. They have also been thinking ahead about summer projects and we are assembling and ordering parts and tools etc.
- Discuss our policy on fees for service. A property owner is required to pay a monthly utility bill for water and sewer service to maintain their water and sewer connection to our system. This means even an empty lot that has no home is still required to pay. Also, we do not bill nor communicate with tenants. Property owners are responsible. Those who do not pay per our policy will have a lien placed on their property. The District would like to avoid this as it is costly for the owner in fees and the District staff in time.
- Discuss CUSI audit- DOT paying for a motel rate instead of commercial rate at the "old Hyak lodge". I have reached out to DOT to discuss.

- **Discuss a 2019 rate increase.**
  - i. To keep up with the cost of goods the rate needs to be increased.
  - ii. I propose that for single family rate- that we stop the sewer usage charge. This can be done by calculating the revenue from usage and adding it to the base monthly minimum charge.
  - iii. I propose for the single-family rate: that we increase the monthly minimum amount of water to increase from 200 cu ft up to 400 cu ft and raise the price accordingly.
  - iv. For all rates other than single-family: I propose that we increase the minimum and usage rates the same amount as the previous 2018 percentage.
  - v. For hydrant water- I propose the rate increase up to \$10 for 100 cu ft.

*The Commissioners directed the GM to create the necessary documentation for them to review and compare the increase with the current rates.*

### **GENERAL MANAGER UPDATE ON PROJECTS**

- **Water Engineers-**
  - i. Continue to work on analyzing data.
  - ii. I am reviewing water comp plan amendment. Once done it will be submitted to the DOH and both King and Kittitas counties.
- **Department of Health-**
  - i. Continue to work on items listed in the DOH Sanitary Survey Report.
  - ii. Staff is working on updating and writing some of the new policies for backflow/cross connection and coliform monitoring.
  - iii. Working on completing the chlorine check list submittal
  - iv. Working on the DOH Water Facilities Inventory form which includes a population report
  - v. Working on a stop chlorinating plan
- **U.S. Forest Service-**
  - i. Forest Service conducted a site assessment at the Alpental Reservoir and Wells 2/3 sites for our future capital projects. Site assessment conducted last summer, and we are still waiting for their final approval.
  - ii. Forest Service staff working on re-issuing special land use permit for areas that the District has water assets on Forest Service property. This permit expired in 2009. I am asking for a 40-year term.



- iii. Forest Service staff working on re-issuing special land use permit for areas that the District has sewer assets on Forest Service property. This permit expired in 2009. I am asking for a 40-year term.
- iv. I have asked the forest service if they will be re-issuing a permit for the spray field area. Their response stated that their policy is to deny and/or phase out permits for spray fields.
- v. I have begun a conversation with the Forest Service about owning the property in which lagoon two sits on. Over 75% of lagoon two was built on forest land. It would be best if we could own all of the property that the lagoon sits on and add a buffer of land to the east near the trail to create a buffer for safety.

- **Wastewater Engineers-**

- i. Working with HLA Engineering to update wastewater data. We are working on reviewing data for the past couple of years and forecasting the future growth.
- ii. We recently met with the DOE to discuss HLA's reasonable potential analysis report.
- iii. We also spoke about future wastewater plant options and more specifically discharge locations

- **Aspect Consulting-**

- I. King County- application approved for temporary water rights. Application submitted for permanent water rights transfer request. Completed and submitted hydrogeologic investigation. Ecology preparing a cost reimbursement contract. Outreach to the Snoqualmie and Tulalip tribes is underway. Consultants currently working on the report of examination (water right change document).
- II. Kittitas County- completed a technical hydrogeologic investigation and mitigation suitability analysis using foreign return flow for a new water right. Presented this analysis to DOE. Submitted an application for new mitigation water right for a well to be drilled in Kittitas county. Next steps are- public notice in newspaper, initial outreach to Yakima tribe and WDFW, develop a mitigation plan, complete well siting study, complete permit process and meet with the water transfer working group and develop the mitigated water right document.

### **District Owned property-**

- I. Reviewing easements for the land where well 4 and well 5 are located. In discussing this matter with our attorney, it is recommended that it would be best if we paid for the easement and owned the land. At this time, the easement for well 5 states that the owner receives a \$0 charge for their normal water use.
- II. Working with the U.S. Forest Service in attempts to own the land that lagoon two was built on.
- III. Working on security by installing security cameras, planning on building a fence around the green shop and the brown shop. Also re-install the gate at the end of Hyak Drive and keep it closed in the winter months when the Forest Service closes their road.
- IV. Planning to replace six regular man doors with heavy-duty doors to increase security.

### **Rate Study-**

- I. Working on finalizing 2018 financial and flow data in preparations for a rate study.
- II. Will negotiate a contract price and sign contract once we are ready.
- III. The rate study may take up to six months to complete.

### **Moratorium-**

At the next meeting we will be discussing an extension of the moratorium. I propose that the extension be increase by another six months. I will prepare a resolution for the March board meeting.

**Policies-** recently it has been identified that the District needs to update many programs and/or policies that dictate how we operate the District.

- I. Will be updating several financial policies that will define our financial procedures.
- II. Update the policy for a customer who no longer wishes to be connected to the water and sewer system.
- III. Create a policy for a customer that would like to sell their water and sewer connection back to the District. For example- an owner of an empty lot decided not to build the home. The water and sewer connection certificate remains with the parcel, it is not transferable.
- IV. Update the District's inventory policy on how and what we will inventory. Also update how we will audit the inventory to protect our assets.

- V. Create a policy for the Districts and the customers responsibilities when we perform utility locates. Also describe the initial and repeat locate costs.
- VI. Update the policy for the cost when a customer requests to connect to the water and sewer system outside of our normal policy time. For example- we do not make connection June 1-Oct 1 but if the weather was ok and a customer wants to pay extra for our staff to stand by, then we need to state this procedure and cost.
- VII. Create a policy that states a fine should a customer or contractor dig without a locate and cause damage. Currently we charge the customer for time and materials, but we should also include a fine.
- VIII. Create a policy in which District staff could provide inspections of customers backflow devices. This is not being proposed to take work away from contracts, but to provide a service to our customers that live in a remote area and are not following state law and completing this inspection on an annual basis.

**Commissioner Comment**

Commissioners commented that staff continue to work on policies and make necessary language improvement and present to the commissioners once completed.

**Adjourn**

Commissioner Holman made a motion, seconded by Commissioner Harja to adjourn the meeting at 8:45 PM. Motion Passed

  
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William Powers, Commissioner

  
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Lloyd Holman, Commissioner

  
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David Harja, Commissioner