



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

Held September 3rd, 2019

A SPECIAL Meeting of the Board of Commissioners of Snoqualmie Pass Utility District was held at the Snoqualmie Pass Fire & Rescue Department at 1211 SR 906, Snoqualmie Pass, Washington, on September 3rd, 2019. The meeting was called to order by President Powers at 5:01 PM. Commissioners Powers, Holman, Harja and General Manager Hastings were present.

Call to Order: Introductions & Roll Call. GM Hastings introduced the District's general counsel Mr. John Milne. Mr. Milne was invited to explain the draft resolution and process of how the water moratorium could be legally lifted upon the DOE's expected approval of the District water rights consolidation application on Sep 6th.

Approval of Agenda

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

PUBLIC ANNOUNCEMENTS:

This is a "special" meeting since it is not a regularly scheduled meeting.
This special meeting is being conducted per RCW 42.30.080

The Commissioners will not be taking any questions from the public. This is a meeting for the GM and District counsel to hold a workshop style meeting and discuss the draft proposal and process in which the water moratorium may be lifted upon DOE approval on Sep 6th. (there were three people present in the audience)

General Manager Report:

Discussion of water and sewer capital projects that are being developed for 2020.

- Report on the status of water rights transfer. The approved DOE application for consolidated water rights in King County is still posted on the DOE web site. To this date no appeals have been filed. The appeal process ends at 5pm on Sep 5th. On the morning of Sep 6th the GM will confirm the status. The District anticipates that no appeals will be filed, and the District will have access to the water rights requested in the application.
- Discuss the need to construct a second 130,000 gallon water reservoir in Alpentel. This was identified as a project in the 2013 water comp plan. This is needed primarily to

meet fire flow demands in the Alpentel community. Secondary use will be for water storage that will net more Equivalent Residential Unit (ERU's) available to sell.

Estimated cost to build the reservoir is \$1,000,000

- Discuss the need to drill a new well "6" in Alpentel Community. The goal would be to drill a new well in a centralized location in hopes that the water quality is better than wells 2, 3, and 4. If the water quality does not meet standards, then it will be treated at the new centralized location. Estimated cost to drill a well \$500,000
- Discussion of the need to build a centralized water treatment and maintenance building in Alpentel. The District is exploring the option of building one centralized treatment building that could be built to the North of the Alpentel Wastewater Lift Station. This location could treat water from wells 4 & 5 and the water from a new well "6" drilled in the community. This building would contain a water treatment system, chlorination system, a generator to feed this building and the lift station, and one to two equipment bays. Estimated cost to build a centralized treatment building is \$1,500,000
- Discussion about the plan to construct phase 1 of the new wastewater treatment plant. Design and build a new Membrane Bio Reactor (MBR) to replace the aging lagoon system. This would be a small skid that would be installed inside a new 30' and 60' building. This system will make class A reuse water and be discharged to Coal Creek. This in return will net us "foreign" water right credits that can be used to sell more ERU's. Estimated cost of phase one is \$2,500,000 and estimated cost of phase two is \$7,000,000
- Discussion about the need to perform exploratory well sightings in Kittitas County. The District would hire a consultant and well driller contractor to drill tests sites to identify areas of good water quality and flow.
- Continued discussion that the GM is working with contractor to develop a plan and costs to rebuild the Alpentel Wastewater Lift Station and the Lower Hyak Lift Station. The pumps are very old and need to be replaced before they fail. Estimated parts cost is \$297,000 plus labor to install.
- Continued discussion that the GM is working with a contractor to develop a plan and costs to replace four aging pumps at the wastewater treatment plant. These pumps are vital as they move the water through the facility. Estimated parts cost is \$37,500 plus labor to install.
- Discuss the HLA task orders for water and sewer comprehensive plan updates. Both plans need to be updated to identify the District's needs and to develop a capital

replacement strategy and costs. HLA will also complete a rate study to be implemented in early 2020. Costs not to exceed \$166,000

- The GM and Mr. Milne presented the draft resolution for lifting the water moratorium. They described that single-family homes are the simplest to process as they are one ERU. Non-single family applications will be a little more difficult to process as they require a fixture count calculation. The most difficult applications to process will be short plats and long plats. Staff is working on language that describes the process in which all applications will be processed.
- Discussion about the need to increase the connection charges for water and sewer to pay for the \$5,000,000 that will be spent to construct the Alpentel Reservoir, a new well and centralized treatment in Alpentel community, and phase one of the wastewater plant upgrade. The GM presented documents from HLA engineering that show the calculations used to estimate that 791 ERU's would be generated by these projects. The GM also presented documents that show how they calculated the increased connection charges and monthly fees. Estimate the connection charge increase to be \$2,712 more. Estimate that the monthly fees to increase \$26.31, but will not change the monthly rates until the projects are under construction.
- Discussion about how many ERU's would be offered during the first allotment, if the DOE approves the pending water rights consolidation application. Due to water conservation efforts the District now has access to the 209 remaining calculations based on the 2013 Water Comp plan calculations. The District proposal is to offer 150 ERU's for sale and to keep 59 ERU's in an emergency reserve. Discuss the data supplied by the GM and engineers that confirm in fact that the District will have enough water to offer these ERU's for sale once the DOE approves the pending water rights consolidation application.

Board Action

- Approval of the August 12th meeting minutes. Motion to approve made by Commissioner Harja, seconded by Commissioners Holman. Motion passed
- Approval of HLA Task Order 2019-03 Motion to approve made by Commissioner Harja, seconded by Commissioners Holman. Motion passed
- Approval of HLA Task Order 2019-04 Motion to approve made by Commissioner Holman, seconded by Commissioners Harja. Motion passed

Commissioner Comment

Commissioner Holman expressed a concern about raising rates right before ERU's are offered for sale to the public. Mr. Milne explained that this is a typical process. It is apparent that several capital projects need to be constructed to produce, treat, and store more water that in turn generates more ERU's for sale to the public. Mr. Milne further explained that per state RCW the District is legally obliged to charge the proper rates to pay for capital projects and to be fiscally responsible.

All three Commissioners discussed the need to hire a consultant to work with District staff in regard to financing these capital projects. The goal would be to hire a consultant that can write grants and help the District apply for low cost funding. Also, to help the District negotiate the best deal with financial institutions when financing large capital projects. They directed the GM to speak with our engineers and legal counsel to find a consultant that the District could work with.

Adjourn

Commissioner Powers made a motion to adjourn, seconded by Commissioner Harja to adjourn the meeting at 6:30 PM. Motion Passed



William Powers, Commissioner



Lloyd Holman, Commissioner



David Harja, Commissioner