

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

Held August 9, 2021

A meeting of the Board of Commissioners of Snoqualmie Pass Utility District was held remotely on August 9th, 2021. The meeting was called to order by Secretary Harja at 6:01 PM. Commissioners Powers, Holman, Harja and General Manager Hastings were present telephonically.

Announcement:

This meeting is being called as a REMOTE meeting due to the Governor's proclamation 20-28. The District will continue to hold meetings remotely due to the COVID-19 emergency. Once proclamation 20-28 is no longer in effect, the District meetings will return to their normal location. Public attendance at District meetings will be done telephonically, or through other virtual means, until further notice.

Call to Order: Introductions & Roll Call.

Note that there was 0 people present on the phone call.

Approval of Agenda

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

Approval of Consent Agenda: *items listed have been distributed to the Commissioners in advance for study and will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on a regular Agenda at the request of a Commissioner:*

- customer billing credits, staff timecards and payroll reports, bank and county treasurer transactions.

Motion to approve made by Commissioner Harja, seconded by Commissioner Holman. Motion Passed

PUBLIC ANNOUNCEMENTS:

- Office is closed, encourage customers to make online payments or use the drop box at the office.
- The District is asking that all customers register their accounts in the customer water meter portal and payment portal. This will allow the customer to monitor their own flow and monitor their bills and make payments.
- We ask that any property owners that are building a home this summer to let the District know of the planned start dates. This will allow the District time to locate the water and sewer stubs. October 1st is the last day to connect water and sewer due to potential weather and safety issues.
- Remind contractors and property owners to call 811 for locates, two full business days prior to the work start date. Property owners are responsible to maintain locate marks.
- Construction activity will continue in August. Contractors will complete the building walls and then install the roof.

Continue the meeting:

- Public Appearance – none
- Public Comment on agenda items only- none
- Public Comment on non-agenda items- none
- Commissioner Reports- none

General Manager monthly report- update on business activities to include old business, new business.

OLD BUSINESS

1. New Wastewater Plant- update on construction. Construction is going well and on schedule. The MBR skid has arrived and has been set inside the building.
2. Sewer Collection System repairs- working on a schedule with Pro Vac. Staff will be prepping the areas and marking the manholes that need repaired.
3. Well siting bid- Yellow Jacket Drilling was selected. Expect work to begin October 4th. Estimate it will take 12 days to drill each of the two test sites.
4. Water Comp plan- has been submitted to the DOH. DOH notified the District that it has been received and will respond in 90 days. The GM hopes to meet and discuss the plan soon. This plan will then be submitted to both King and Kittitas County officials for their adoption. The District also hopes that the DOH will approve additional ERU's to be made available for sale due to increased water conservation.
5. Staff continue to be very busy with locate requests. Remind contractors/property owners to call the District and 811 ahead of time for planning purposes.
6. Staff working to repair potable water distribution system leaks. Leak detection contractor has returned and located a couple more concerns in Alpentel.
7. Wastewater lagoon aerators repaired and all back online. Spare parts are on order.
8. Pass Life way center parcel water and sewer service line installs- going ok. Meter and meter pits should arrive in August. Taking much longer to get parts this year.
9. Mission Communications SCADA system- staff working with technician to upgrade the system to improve reliability.
10. Discuss the utility tax line on customer bills. Commissioners asked that the tax line be shown on the monthly bills. Staff is working with our billing software contractor to make the change and hope to have it completed for the Aug billing.
11. New Trail Max tilt trailer has been purchased and on site. Staff is using it and it is more operator friendly than the old trailer that was stolen. It is 5' longer and the deck is wider and sits above the wheels so there is more flat surface to use.
12. Discuss the Ski Area MOU- the Ski Area attorney sent an update MOU and letter to the District and the Commissioners. The letter described their desire to be a partner with the District and to drill a well for snow making. The attorney stated that the current discussions are too slow and that they want a signed agreement within 30 days. As the GM I have done my best to describe the District's current priority of completing the wastewater plant (that generates the water rights needed for snowmaking) and that the District has to drill a potable well first. The District has started down a path to spend over \$30 million to have potable water available for our customers. The Ski Area will be one of those customers. The Ski Area attorney has written a MOU that simply has too many stipulation that are not in the District's favor. One being, that the District does not yet have the water available to commit to the Ski Area. My responsibility is to ensure that there is enough potable water to serve our customers first, then I can look at water for snow making. At this time the District can not sign the MOU and commit to something that we do not have. Once the wastewater plant is complete and a potable well is drilled in Kittitas County the District can more than likely commit to what the Ski Area is asking for. *There was a lengthy discussion from the Commissioner's about this. They all three agreed that the Ski Area need to be treated like we treat all other customers. They agreed that it is too early to commit to the 30 million gallons a year that the Ski Area is asking for. The Commissioner's directed the GM to*

work with engineers, consultants, and attorney to write a letter back to the Ski Area's attorney stating these facts and what and how the District believes is the path forward.

Water Usage

- Well 5 is in the lead and Well 4 is in the lag position. Well 4 was called to run once this month while the power was out and staff was using the portable generator. The arsenic result for well 5 was 0.0065 mg/l and well 4 was 0.0160 mg/l. Well 5 flow was 2,559,569 gallons and well 4 flow was 60,655 gallons.
- Review current water usage. For July the District pumped 2,620,224 gallons. For 2021 the District has pumped 55-acre feet (18,064,110 gallons) of the 168-acre feet (54,742,968 gallons) available.
- 2021 water report shows missing water at approx. 11 gpm or 19.15% or 3,431,106 gallons for the year. Staff fixed three leaks near the end of the month. It appears that the missing water decreased by 75,000 gallons in a short time. Staff hope to see a larger percentage next month when the entire month is used in the calculation.

Sales and Finances

- July- water sold was more than previous month, and more than normal compared to 2020 and 2019 for this time of year. Revenue is up compared to last year but more so a result of increased rates. Staff did note that the single-family usage is up. There appears to be more homes using a higher amount of water, likely for irrigation.
- Review finances- At the county the total balance is \$1,914,279.93 on 8/9 after today's transfers. At the bank, as of 8/9 the balance is \$141,381.40 total in all three accounts. Total funds available is \$2,055,661.33.
- Staff is working diligently to bring all past due accounts to a current status. This month there were 15 accounts that owed \$3,827.49 There are also two accounts going through bankruptcy proceedings. The District has filed a lien on one property that is in arrears.

Water – Sewer – Admin Projects

- A note that there have been 25 home sales submitted to the District this year. In 2020 there were 65 and in 2019 there were 22. The District believes that more and more of the home resales are becoming full time residents. Also note several lot sales this year.
- Staff is working to increase the number of water meters registered in the customer water meter portal by asking customers to register their meter. Anytime staff notifies a customer of a leak the District asks the customer to register their account so they can monitor their own usage and set up leak alerts. Currently there are only 98 accounts registered out of 638 or 15%. So far for 2021 the early detection has saved the customers over 1,024,831 gallons.
- Staff is working to increase the number of accounts registered in the payment portal. There are 410 registered, 337 paperless, and 280 autopay set up out of 672 accounts.

Potable Water Projects

- HLA Engineer and staff are working on several water system tasks. Including the water comp plan update and developing projects for 2021-2022 such as drill well five replacement, installing pressure reducing valves in Alpentel, and increasing the water main sizes as needed in Alpentel. The District needs to construct more storage reservoirs and drill additional wells to meet current and future demands.
- The Sensus fixed radio read system is working great. Staff are able to read 100% of the water meters each day. Staff are working on a plan of where to install two dozen water meters that can also monitor system pressure. These meters will be helpful as engineers calculate the need for more pressure zones.

- Staff is reviewing new water meter requests and making plans to locate water meter pits and install new meters. Staff will also plan to inspect all water meters for leaks, insulate the meter pit, take a photo and GIS the meter locations.
- Water Comp plan has been submitted and received by the DOH. Hope to hear a progress update within 90 days.

Sewer System Projects:

- HLA and District staff are surveying all 280 sewer collection system access hatches and vaults. We are collecting data such as rim elevation, invert depths, and conditions. Next step will be to seal the lids to keep water out.
- Continue monitoring sewer system flows to plan for future repairs to reduce infiltration into the collection system.
- Pro Vac will be on site in August to start making repairs to the manholes that are in need of repair.

Wastewater Plant Construction

- MBR phase 1 construction is underway. The contractor will be working 6 am-4:30 pm Monday thru Thursday. The GM checked with the county to ensure that work can start at 6 am. The county confirmed yes as construction is exempt and the plant is in light industrial zone. The District has notified all customers of the construction working hours.
- Construction is going well. In July both buildings floors were poured. The influent building walls are complete and the MBR/admin building walls are approx. 60% complete. The contractor has been working to install all underground utilities including water, sewer, power, storm drain, and communications. Anticipate the walls being complete by Aug 20th and then contractor will start installing the roof. On August second the MBR skid arrived and a crane was used to set it inside the building in pace. This skid was test ran at the factory and is ready to start up and soon as it has power and pipe connections are made. The new influent screen is also on site. Covid has slowed things down but happy to report that all the process control items are on site. The next big step is completing the walls and installing the roof.
- On August 9 there was a covid concern. Two contractors did not come to work due to covid symptoms. The crew on site then left to go be tested. Contractor with a negative test will return to work the following day.

Funding Opportunities:

- The District has received \$300,000 grant from the Kittitas County Distressed County Tax Grant. The GM submitted the first invoice to the county and received payment. HLA invoice for this month is \$2,713.25. This second invoice will be submitted to the county for reimbursement.
- The GM continues to reach out to politician for financial assistance to improve the District's infrastructure.
- The GM recently meet with Congresswoman Schrier's staff and hopes to work with them to find some grant money for the District water and sewer capital infrastructure projects.

NEW BUSINESS

- Review Apollo bills for construction project. June 25- July 25. Review the USDA Outlay Report generated by HLA. This report will include payment for Apollo \$417,303.40 and HLA \$60,112.08 work on this project. Total for USDA Outlay #2 is \$477,415.48 Ask Commissioners to approve the USDA Outlay report and voucher.
- Ask Commissioner to reapprove and sign a new copy of the meeting minutes from July 12, 2021. There was an error with the dollar amount for the balance reported at the counts as \$9990,615.15. It should have been reported as \$990,661.15. Ask for a motion to accept the new minutes and discard the previous meeting minutes.
- Ask Commissioners to remove the stolen trail max trailer from the inventory system.

- Discuss Stoeck IT proposal for a new server on site, a back up server off site that is a mirror image and storing or documents. There will also be an upgrade to security and reduce the threat of cyber attack or ransomware. The District needs to improve security and be prepared for ransomware. If attacked, the District would lose access to billing software, but all other programs are hosted off site and Stoeck IT has our daily work products backed up off site. There could be a fairly quick turnaround and the District would be back online quickly. Ask Commissioners to approve option #2 at \$14,536 for new server set up and additional monthly cost of \$924.
- Discuss the needs to pursue the purchase of an electric scissor lift. This is needed to reach the 20' heights in the green shop and the new wastewater plant. This would be a valuable tool to complete maintenance projects safely. The GM asks for approval to research with a budget of approx. \$20,000 and to bring back options at the next meeting. *Commissioners directed the GM to also look at a articulating Z boom to ensure that all areas inside the building could be reached. A scissor lift goes straight up but the articulating boom has a better reach ability. The GM will research and bring cost comparisons back to the next meeting.*
- Discuss a contract with HLA for water projects. Now that the water comp plan is complete there is a list of capital improvements to complete. The total for the capital improvements is \$17, 445, 530 as listed on page 8-4 of the plan. Please keep in mind that this is a long list and a few of these projects will be delayed until needed, such as Hyak reservoir and well. By signing this contract HLA is committing to the price of their services and then this document can be submitted to the USDA. By submitting this as one whole document, that covers all projects, the District and HLA will save time and money in the future by streamlining the process with the USDA. The document does not bind the District to completing the projects, this is just the scope of the water projects and the intent to complete the projects. The District will still give directions and tell HLA when to start projects. HLA design costs are \$1,060,000.00 and costs to oversee construction \$1,300,000. The projects are: Erste Strasse water main and PRV improvements, build Summit reservoir #3, build a water treatment facility/maintenance building in Alpentel, and water main replacement in Alpentel. The capital projects listed above will cost approx. \$12 million (includes HLA engineering services of \$2,360,000) to complete and will need completed in the next 3-5 years. *Due to the large dollar figures the Commissioners asked for time to review and discuss at the next meeting.*
- 202 Rate increases. The GM is working with HLA on new rates for 2022. This will include a rate increase for monthly rates as well as connection fees. Costs for goods continue to increase and the capital project list is growing. Estimate \$25 million in wastewater projects and \$10 million in water projects in the next 5 years. The current connection rates were set with a budget of \$24.5 million, thus we need to increase this \$10.5 million.

Board Action

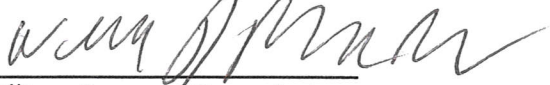
- Approval of meeting minutes July 26th. Motion to approve made by Commissioner Harja, seconded by Commissioner Holman. Motion passed.
- Approval of monthly vouchers (from the general fund No. 657010) for \$110,251.37 Motion to approve made by Commissioner Harja, seconded by Commissioner Holman. Motion passed.
- Approval of USDA Outlay Voucher #1 (from the USDA Sewer fund No. 657336) for \$477,415.48. Motion to approve made by Commissioner Powers, seconded by Commissioner Harja. Motion passed.
- Approval to remove the stolen trail max trailer from the inventory system. Motion to approve made by Commissioner Holman, seconded by Commissioner Harja. Motion passed.
- Approval to purchase a new computer server. Motion to approve made by Commissioner Harja, seconded by Commissioner Holman. Motion passed.
- Reapproval of the July 12, 2021 meeting minutes. Motion to approve made by Commissioner Harja, seconded by Commissioner Holman. Motion passed.

Commissioner Comment

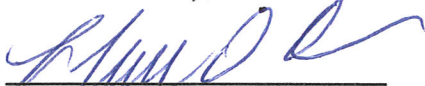
none

Adjourn

Commissioner Harja made a motion to adjourn, seconded by Commissioner Holman to adjourn the meeting at 7:35 PM. Motion Passed



William Powers, Commissioner



Lloyd Holman, Commissioner



David Harja, Commissioner