

UNION HILL WATER ASSOCIATION, INC.
5020 236th Ave. NE
REDMOND, WASHINGTON 98053

Annual Meeting

February 10, 2021

The meeting was called to order at 7:03 pm by President Al Spencer. Board members Laura Oliver, Colby Caywood, Jim Kleppe and Steve Sergev were present. General Manager Teresa Fowlkes, and members Wayne Berthold and Rick Hardesty were also present.

Minutes of the 2020 Annual Meeting

The minutes were reviewed and accepted as presented.

Treasurers Report

Reviewed the audited financial statements. This year's audit found no inconsistencies. Copies of the audited financial statements were available at www.uhwa.org.

Association's Annual Report – Teresa Fowlkes presented the Annual Report. (See attached). ROW discussion ensued.

Introduction of Candidates

Position #1 – Colby Caywood

Position #2 – Wayne Berthold

Richard Hardesty

Position #3 – Stephen Sergev

Position #5 – James Kleppe

Open Discussion –

- Where has the water for increased demand come from – discussion of choice the Association made to build additional storage and booster pump station.
- Question about the Associations ability to compare usages from one house to another – this would be a labor-intensive process since our billing software doesn't support this type of inquiry.

Election Results

Ballot received by post or at the office door on or before 2/14/2021 and any ballot found in the mailbox/bill box outside the fence the morning of 2/16/2021 will be counted. Results were emailed to the candidates, current board members, posted on the Association website and recorded in the minutes on 2/16/2021.

90 total members voted in this election. As there was no opposition for Positions #1, #3 and #5 Colby Caywood, Stephen Sergev and James Kleppe were re-elected. Position #2 – Wayne Berthold received 33 votes and Richard Hardesty received 57 votes. Richard Hardesty has been elected Position#2.

Meeting was adjourned at 7:37 pm

Secretary/Treasurer

Date _____

UNION HILL WATER ASSOCIATION
ANNUAL REPORT 2020

Water Quality:

The Association continues to provide exceptional quality water to its customers without adding any additional chemicals or treatment to its water source. The water quality is monitored monthly against the State DOH water quality standards.

Water Production/Usage:

The Association’s annual water production has decreased since 2009 and the total production trend has been stable since then. The highest production months during this 10-year period were during the months of July and August. The maximum recorded month was July 2009 when 42,662,000 gallons were pumped. This equates to an average of 1,376,000 gallons/day or 956 gallons/minute. Total water production in 2020 was 183,000,000 gallons.

<u>Year-End</u>	<u>Gallons Produced</u>
2009	248,494,635
2010	206,229,000
2011	198,677,020
2012	203,449,800
2013	197,103,400
2014	208,082,000
2015	226,501,000
2016	205,756,780
2017	230,029,193
2018	209,972,000
2019	194,671,000
2020	183,000,000
Average	209,330,486

King County Franchise Ordinance 18403:

On November 7, 2016, the King County Council passed Ordinance 18403, by a vote of 7 to 2, creating a new Section 6.27.080 of King County Code. This new code section requires franchise utilities (electric, gas, water and sewer) to pay a fee to the County in return for the right to use County rights-of-way. Over the following year or so, King County Facilities Management Division developed administrative rules and began to implement the ordinance. Following the imposition of the new fees, King County filed a preemptive suit against numerous sewer and water districts in King County Superior Court seeking a court declaration that the ordinance and implementing rules were proper and enforceable. Tanner Electric Co-op, Ames Lake Water Association, Union Hill Water Association (UHWA) and others intervened in the suit to join forces with other sewer and water districts. The case was heard and decided by Judge Samuel Chung in July 2018, striking down the County’s ordinance and rules by ruling they were invalid.

King County appealed the decision to the Washington State Supreme Court and in February 2019 filed its 221-page brief to the Supreme Court. Responsive briefs were submitted over the next few months by sewer and water districts and associations. In addition, utility organizations across the state filed “friend of the Court” briefs to provide context as to why this new revenue generating attempt by King County would be detrimental to Washington utilities and costly to ratepayers. The Washington State Supreme Court issued the following final ruling on December 5, 2019:

The superior court ruled that King County lacks the authority to charge franchise compensation. We reverse. We hold that generally, King County may charge franchise compensation. We also hold that water-sewer districts and private utilities have no general right to use King County’s rights-of-way without a franchise.

The rule adopted by the Facilities Management Division indicates that rent begins to accrue as of January 29, 2018 and will be assessed according to a new or amended franchise. Presently,

UHWA's franchise expires in 2023. No rental amount has been calculated or charged to UHWA as of this date. Now that King County has prevailed in the litigation, UHWA may be forced to pay rent backdated to January 29, 2018, along with rent amounts going forward. The Supreme Court's decision applies only to whether the County may charge rent, not how that rent will be calculated. The Supreme Court remanded that decision back to the Superior court. The initial estimate from the County indicates that this may cost UHWA and its members as much as \$108,000 per year.

To review Ordinance 18403, type the following into your browser:

King County – File#:2016-0521

Then select the option listed for this title.

Construction/Monitoring/Reports:

2020 Completed Projects:

- Install 2,300 ft of Ductile Iron (DI) pipe replacing the 6" Asbestos Concrete (AC) water main on Union Hill Road, between 218th to 225th.
- Supervisory Control and Data Acquisition (SCADA) upgrade at the well field.
- Continued Radio Read installation program.
- Continued negotiations for access to Well 2.

2021 Anticipated Projects:

- Well 2 Road Access across the STEM school site.
- Continue Radio Read installation program.
- Replace 10" Ductile Iron (DI) Water Main required by WSDOT Culvert project on SR202.
- SCADA upgrade at South Reservoir
- Install water main to provide resiliency to the 275 zone.