

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

Annual Meeting

February 9, 2022

The meeting was called to order at 7:04 pm by President Al Spencer. Board members Colby Caywood, Jim Kleppe, and Steve Sergev were present. Member Rick Hardesty was excused. General Manager Teresa Fowlkes was also present.

Minutes of the 2021 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 are available upon request. Email teresa@uhwa.org.

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

Introduction of Candidates

Position #3 – Stephen Sergev

Open Discussion –

Board of Trustees President, Al Spencer

- First, I would like to recognize Don Erickson
 - Don has been our Field Manager who served the association for over 15 years
 - He knows the business and intimately knows our infrastructure
 - Has provided the Association excellent service
 - And he has agreed to be a resource we can reach out during his retirement
 - Like many other things, farewell party on hold due to COVID
- Second item, on behalf of the Board, is with respect to Teresa Fowlkes. Teresa Fowlkes was the Associations Office Manager when I joined the Board filling the vacancy resulting from passing away of the Board President, Frank Parchman in 2013. Soon after became our General Manager
 - Teresa has always been an extremely competent manager
 - The last couple of years at UHWA have been extremely challenging
 - For a lot of reasons
 - COVID
 - Personnel changes
 - Challenges hiring staff
 - Major legal issues
 - Throughout these challenges Teresa has
 - Exhibited great leadership
 - We provide great quality water
 - Our financials continue to be outstanding
 - And customer service is always at the forefront

Election Results

Ballot received by post or at the office door on or before 2/9/2022 were counted. 50 total members voted in this election. As there was no opposition for Positions #3, Stephen Sergev is re-elected.

Meeting was adjourned at 7:12 pm

Secretary/Treasurer

Date _____

UNION HILL WATER ASSOCIATION
ANNUAL REPORT 2021

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 to comply with 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 14-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 2021 was 205,251,480 gallons. The increase over 2020 was the unusually high summer temperatures. Aquifer levels have remained stable.

<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
2021	205,251,480
2022	199,079,480
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. The case was heard in July 2018, the Superior Court struck 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 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. 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 initial estimate from the County indicates that this may cost UHWA and its members as much as \$97,000 per year.

Construction/Monitoring/Reports:**2022 Completed Projects:**

- Continued Radio Read installation program.
- SCADA upgrade at South Reservoir
- Conducted a Vulnerability Assessment
- Updated Emergency Response Plan
- Completed installation of water main to provide resiliency to the 275 zone.
- Completed 1st phase of pressure zone 440 to 275 connection.

2023 Anticipated Projects:

- Continue Radio Read installation program.
- Seismic upgrade at South Reservoir
- Purchase dedicated generator for the Well Field
- Complete 2nd phase of pressure zone 440 to 275 connection.