

P.S.A. ANNUAL MEETING MINUTES, July 8, 2006

State of the Association: Ron Moon gave the report.

The Association has been working on the well system plan, which was not adopted in 1999. Research was conducted on the information and engineering done at that time. Notices were sent out requesting how many water connections each member had to each piece of property. The total came back at about 92 pieces of property that were already connected to the water system. The system is allowed 98 by the standards set out by the State of Washington for the two well systems and two water towers that are currently in use. The present water committee with the water superintendent contacted two engineering companies and solicited a cost to put a new well # 3 on line and other modernization to be completed over a six year period. The bid prices that came back from J.B. Engineering out of Silverdale for a consulting cost of \$2,800.00 and \$4,300.00. According to the State, PSA is qualified to have 98 connections. Any more PSA residential water hookups beyond 98 would be illegal.

Upgrades to the third well would include:

- An emergency generator at the bottom of the two holding tanks at the North well site.
- Upgrade to the line systems to including larger diameter, water main pipes.

P.S.A water committee is working with JB engineering and the state to become an Individual Water Company (*Small Water System Management Program, SWSMP*). This would eliminate the need to apply every six years to the State of Washington to be able to pump more water into the system. *The proposal package to complete this project would be over a six-year period and could cost as much as \$700,000.00. It would be completed in two phases. Phase one would be a build out of well three, with new pumps, pump house, electrical connections and transmission lines. Phase two would include connections to 17 new fire hydrants and residential water meters. The purpose of the water meters would not be to charge for water use, but to chart total water use and monitor for line breaks.* Two other phases were mentioned. No details were given. Payment options for the above proposal were discussed: A one time payment of \$3,000.00 or \$600.00 per year for the next 6 years, (\$50.00 per month). Operations management charges are in addition to these estimated costs. The following options are available to members:

1. Vote no on the budget. Result: Board will cancel contract with JB engineering.

Rescind application with State of Washing to become an Individual Water Company.

No upgrades will be conducted on well #3.

The water system would then be taken over by a public utility as directed by the State for noncompliance. *This option would violate PSA Articles of Incorporation*

2. Vote yes on the budget. Result: The board would continue with JB engineering, become an Individual Water Company (SWSMP) and proceed with new water system upgrades.

A discussion ensued on the budget, the ballot issues and the above proposals, the quality and quantity of the system, ballot procedures, and cost of publicly contracted water system vs. a privately held water system, as well as State compliance issues and possible fees for new construction. The proposed 2006 budget was passed by majority vote