FRIDAY LETTER
July 27, 2018

1. **Franchise update**. I attended the Superior Court hearing this morning in which Judge Chung heard an hour and half of back and forth argument and rebuttal from the attorneys on competing petitions for summary judgment.   He said he would announce his decision in a conference call next Wednesday, August 1st, at 3:30pm.   I should be able to report the decision to you in next Friday's letter.

2. **Main replacement project.**. Frank is nearing the end of this work. Remaining is the complex attachment of the new main to the old asbestos-cement line in 264th, where we will extend the new 8" line under 264th and 20 feet each direction on 264th. We have ordered more valves and a hydrant. At the junction we will add valves in three directions. We also will add one more hydrant to meet the industry standard for hydrant density.

3. **Phase-fail alarms at the Springs.** In the past we have experienced alarms at the Springs whenever the voltage of the three phases of power do not match within a preset percentage. Right now that percentage, measured at our control panel, is 10%. Puget Sound Energy has a looser standard of 25%. This difference has caused us to complain to PSE whenever we get a reoccurring series of alarms – usually during the early morning hours of cold winter days. These alarms are recorded in Patsy's daily inspection. At the 10% threshold we experienced one day last year when successive phase-fail alarm reoccurrences (six times) locked out the pumps. When we reported this to PSE they replaced some parts upstream and the situation has been better ever since.

   To more accurately assess the situation and improve the credibility of our complaints to PSE, Dave has asked a technician to change our threshold in the panel to 25%, at least for a test period of one year. Then, when we have an alarm event at the 25% setting we can report it to PSE with the confidence that it is violating their own standard for clean three-phase power. After a year we can reassess the situation and the % level.

Kelly