

**MACKAYE HARBOR WATER DISTRICT  
BOARD OF COMMISSIONERS  
MINUTES  
February 10, 2017**

**CALL TO ORDER**

The Board of Commissioners for MacKaye Harbor Water District met in regular session on February 10 at the Lopez Library meeting room. Chairman Olson called the meeting to order at 5:15 p.m. Present were commissioner Kirstie Noreen, manager Wayne Haeefe, clerk Helen Cosgrove, water operator, Stanley Arnott and guest, Linda Noreen.

**REGULAR BUSINESS**

**A. Approval of Minutes for January 2**

Noreen moved, seconded by Olson to approve the minutes from the January 2 meeting with a change. The motion passed unanimously.

**B. Approval of Vouchers and Payroll**

Cosgrove said an additional expense included electrical work. Olson moved, seconded by Noreen to approve vouchers in the amount of \$2,639.32 for 2016 and \$3,112.88 for 2017 and payroll in the amount of \$342.00. The motion passed unanimously.

**C. Financial Report**

Cosgrove distributed the general fund report. Have collected \$23,000 in billings, outstanding invoices are \$1,800 plus \$1,500 from non-paying customer; have \$26,000 in the general fund.

**D. Managers' Report**

Haeefe asked Arnott to explain what locating the leak has entailed. Arnott said that he put a meter at the pump house; meters water on pressurized side of the system; allowed him to determine if it was on the gravity side or pressurized side of the system; determined it was on the gravity side, somewhere between Barlow Bay and the wells; searched and located valves, found them with metal detector. Had person come out with a leak detecting device and were unable to find the leak. Gervasi meter is down by house, approximately 1,000+ feet from Aleck Bay Road on Dunweed Road, should be out by the road, meter should be moved, thought leak might be along that line. Next step is to turn off at meters and shut off valves and attempt to isolate leak that way. OPALCO will be digging in that area, will install valve to make sections easier to shut off. Will continue to isolate the leak and then repair. Olson asked if there were any well draw down issues. Arnott said no, they haven't been impacted. Plan is to put in valve, have Evergreen Rural Water of Washington come out again and if they can't locate, then call business that has more equipment to find leaks, which would have to be paid for; Evergreen Water doesn't charge. Olson asked to be kept up to date with the current status of the search for the leak. Noreen asked if the map was being updated with valves being added and location of line when it is found. Arnott said there is a log of incidents, maps have not necessarily been updated; will do so moving forward. Haeefe said the telephone dialer has not been functioning properly and sending calls to both Arnott and Haeefe; found out that it's shooting 120v through telephone wires, should be

56v; causing issues with level of water in pumphouse; finally figured out the problem and corrected it. Haefele said he received an answer from the District's attorney regarding late fee assessment, it can only be 10% of the billing, have to rescind current \$20 late fee; Haefele to write up policy for late fees and bring to next meeting.

#### E. Commissioners Reports

None

#### F. Personal Appearances

Linda Noreen asked if the website is up and running. Haefele said it is, need to go to WordPress directly to bring it up, still needs to connect it to Rock Island. Noreen felt that only one person should be making changes to the website; Haefele concurred. Alifaire is done with her portion.

#### G. Commissioners Additions to the Agenda

None

### **UNFINISHED BUSINESS**

#### A. Website Update

See personal appearances for discussion.

#### B. Fire Standpipe Update

No new info.

#### C. District Map Upgrade

Working on it still. Tabled to the next meeting.

#### D. History of Water District

All concurred that it looked good. Noreen said it was already posted to the website.

#### E. Property Liens for Unpaid Billings

Haefele read the e-mail from Jonson responding to questions Haefele asked: H: So, we already have a billing policy that imposes a \$20/mo. late fee against past due accounts and triggers a shutoff (with appropriate notice) at 6 mo. J: The statute only allows a late fee penalty of 10% of the overdue amount. \$20.00 is way too much unless monthly water bills exceed \$200. This is a one-time penalty and most districts impose it if a water bill is not paid within 30 days. After that, interest can accrue on the unpaid balance. Interest on a single family home acct cannot exceed 1% per month (based on general usury law), but when a lien gets filed, the limit is prime plus four. This can all be found at RCW 57.08.081. I strongly recommend that the District get into compliance on this point - an unhappy customer can call the auditor or the attorney general and cause problems. H: The board would like to adopt a policy that rescinds the service connection for any account that has remained unpaid for one year. This policy would allow for written notice at 9 months informing the customer that they are in danger of permanently losing their water connection and that to reconnect will be dependent both on availability of connections and on full payment of arrears, late fees and another connection fee. J: I think this could work but requiring another

full connection charge after only one year of nonpayment seems harsh - I don't know of any districts that do that. I have one client that will revoke the connection and pull the meter when the balance due exceeds the connection charge, but that takes years to occur. I have another district that allows a customer to order removal of a meter in which case there is no refund and a new connection charge is due if no reconnection is made within a year or two. Customers who have lost their service connection in this manner would have no priority over others. They would be on an equal basis with all other comers on a first come first serve basis. this part is ok. H: The board has also asked me to find out about the feasibility of placing a utility lien on properties for the amounts in arears (in addition to losing their service connection). Does such a lien exist? J: Yes. The statute (57.08.081(3) calls this a certificate of delinquency and it is a very powerful lien because it is senior to mortgages. A procedure has to be adopted in order to record these liens. Many districts charge a lien preparation fee and pass on the recording fee. H: If so is it durable, or does it have to be renewed continually to stay effective? J: No, once filed, it remains of record until it is released. Release is done by a written recording (which usually also triggers another preparation fee and recording fee). Some districts will file renewals from time to time just to keep public records up to date. There is probably (not clear) a 6-year statute of limitation period. **Noreen** said that when notice is given at one year for non-payment, they will also be told at that time that if they do not pay within one year they will be disconnected, will put meter back with no charge but after that must pay a new connection fee. Meter is physically pulled at one year and they then have one year to pay up. Will continue discussion at the next meeting.

#### **NEW BUSINESS**

##### **A. Resolution 2017-01 - A Resolution Appointing an Auditing Officer**

Olson moved, seconded by Noreen to approve resolution 2017-01. The motion passed unanimously.

#### **ADJOURNMENT**

There being no further business the meeting adjourned at 6:32p.m.

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Commissioner

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District Clerk