

**MACKAYE HARBOR WATER DISTRICT
BOARD OF COMMISSIONERS
MINUTES
June 18, 2018**

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met in regular session on June 18 at the Lopez Island library meeting room. Chairman Olson called the meeting to order at 5:25 p.m. Present were commissioner Dean Anderson, manager Wayne Haefele, clerk Helen Cosgrove and guest.

REGULAR BUSINESS

A. Approval of May 18 Minutes

Approval postponed to next meeting, attendees at last meeting not at this meeting.

B. Approval of Vouchers and Payroll

Cosgrove distributed the claims payment request form. Anderson moved, seconded by Olson to approve vouchers in the amount of \$1,980.49 and payroll in the amount of \$228.00. The motion passed unanimously.

C. Financial Report

Cosgrove distributed the fund report; currently have a fund balance of \$33,500, \$30,000 in the investment pool; will be billing the first of next month; have collected 50% of revenues, expended 22% of budget; beginning July 1st commissioner's pay has increased from \$114.00 to \$128.00. Cosgrove asked if next month's meeting can be changed from July 16 to July 23 since she will be on vacation. By consensus, it was agreed to change to that date.

Olson brought up the fire suppression letter he prepared. Anderson moved to approve the letter regarding fire protection water resource be sent out with the next billing. Olson seconded the motion. The motion passed unanimously. Letter was reviewed by guest, Linda Noreen, she liked the letter.

Haefele was not at the meeting yet, moved on to insurance discussion. Cosgrove said that she had been in contact with the current insurance agent, filled out applications and forwarded to agent, waiting for response; estimated errors and omissions (E & O) insurance would be between \$700 to \$1,400; for our current coverage the \$15,000 medical coverage was for small items, any large claims would be covered under general liability. Enduris quote from 2016 was for \$2,641.00, and included E & O; \$20,000,000 coverage limit, current coverage limit is \$1,000,000. Cosgrove went over other limits between current coverage and Enduris coverage. Anderson asked what the difference was between the rates. Cosgrove replied that the District's current cost was \$1,340, if E & O additional insurance coverage were added, it would then be

between \$2,040 and \$2,740. Will contact Water & Sewer Risk Management Pool for a quote. Anderson asked about Enduris. Cosgrove said they only cover municipal corporations and showed the commissioners what entities they currently insure. Will continue discussion next month.

D. Managers' Report

Haefele arrived and asked that maybe the meeting time be changed to 6:00 since the ferries seem to be running late frequently. By consensus, it was agreed to meet at 6:00 for the next few meetings. Olson mentioned that Cosgrove asked to change the meeting date in July to the 23rd. Haefele said he would be able to attend.

Haefele reported that he had received the USIC proposal for locating lines and it would be about \$3,000 per year for their service; \$1,500 was the base rate. Cosgrove said that she thought we already had a location service. Haefele explained that Utilities Underground Location Center was a middleman in which a company calls them re: locating utility lines and they then contact A & A to locate the line, USIC would be doing the locations instead of A & A. USIC goes out within 48 hours of the call and then paint the lines on the street. Olson asked if the line is broken who is responsible. Haefele said the way it works now is if the contractor breaks the line and is within 2 feet of the markings then the contractor is liable, if more than 2 feet then contractor is not liable. Olson asked when the line was recently broken, was the district not liable. Cosgrove said that no bill was received, so someone else must have been responsible. Haefele said the question is – do we have line breaks often enough that cost in excess of \$1,500? Anderson asked what kind of issues could make the \$1,500 worthwhile, how big of a break? Haefele said a contractor would have to hit a conjunction of pipes and at \$100 per hour it would take 15 hours, usually don't have repairs of that size. Haefele said it should be determined what A & A's recent repair for a contractor's error cost. Haefele said his personal view was that breaks happen infrequently and most of the time it wouldn't cost that much.

Spoke to well driller in Bow, would insert a whole new well casing including screens, fill in space with silica sand, would have to get a smaller well pump, would affect productivity of well by a measurable amount; spoke to DOH and an engineering report would have to be submitted with proposal for their approval and it would include net affect on production and water quality, then would have to get DOE approval and they don't necessarily like this type of repair, water could still get in around sanitary seal would expose the well from contamination of ground water, hasn't confirmed that with DOE; better off digging a new well, would reduce production and with new pump the costs wouldn't be that far apart. Anderson asked what the costs were of decommissioning the well. Haefele said it wouldn't be much, maybe around \$700. By consensus, it was agreed to drill a new well some distance from the existing wells. Will check with A & A to see what would be required, would have to go through a process of approval with several agencies. A & A is currently running the needed water tests. Olson asked if a test for 1,4-dioxane was added. Haefele said it was.

Haefele asked if insurance had been discussed yet. And yes, it was. Haefele said that Jonson was correct in suggesting getting proposals from Enduris and Water & Sewer Risk Management Pool. Cosgrove said she was getting proposals from both of them. Hafele said when the limits are looked at, the other two have much better limits and coverage; should rethink insurance; thought earthquake coverage should be included.

Haefele said he sent a chlorides graph, when preparing graph noticed that peak water use hasn't changed any but breadth of curve is starting earlier and lasting longer; could be connected with additional transient rentals such as Airbnb. Olson said if correlation could be made a letter should be sent to owners about water conservation. Suggested a sign saying the water source is from wells as is used in the village. The chlorides information came from the combined wells, beginning in 1999 to present, concentration varies between 75-95, not extreme, no trend, basically flat. Olson said letter should be sent to all customers asking all to conserve water; suggested increasing the 3rd tier some as a conservation goal.

Cosgrove asked if replacing meters that have been used the most had been communicated to A & A. Haefele thought he had. Cosgrove to contact A & A and ask that they start the replacement of 5 meters this year. Olson asked how communication was handled with A & A. Haefele said he either called or sent an e-mail. Cosgrove replied that she always contacted them by e-mail. Anderson said e-mails were probably best and then they could be referred to if not followed up on. Haefele said A & A was providing the necessary services such as testing and dealing with repairs; not a whole lot of options as far as water service providers.

E. Commissioners Reports

None

F. Personal Appearances

G. Commissioners Additions to the Agenda

None

UNFINISHED BUSINESS

A. Insurance Update

Discussed earlier.

NEW BUSINESS

None

ADJOURNMENT

There being no further business, the meeting adjourned at 6:40 p.m.

Commissioner

District Clerk