

**MACKAYE HARBOR WATER DISTRICT
BOARD OF COMMISSIONERS
MINUTES
November 19, 2018**

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met in regular session on November 19 at the Lopez Library meeting room. Chairman Olson called the meeting to order at 5:15 p.m. Present were commissioners KC Jennings and Dean Anderson (by phone), manager Wayne Haefele, clerk Helen Cosgrove and guest, Linda Noreen.

PUBIC HEARING – 2019 BUDGET

Olson opened the public hearing. Noreen asked about the audit expense. Cosgrove replied that it was an estimate based on another client's cost. Olson briefly reviewed the items on the budget. There being no more comments, the public hearing closed at 5:20.

REGULAR BUSINESS

A. Approval of October 15 Minutes

Olson moved, seconded by Anderson to approve the minutes of the October 15 meeting with changes. The motion passed unanimously.

B. Approval of Vouchers and Payroll

Cosgrove distributed the claims payment request form; reported that additional expenses included legal fees and insurance with WSRMP; had contacted prior insurance agency to cancel insurance and request a refund. Olson moved, seconded by Anderson to approve payment from the general fund vouchers in the amount of \$5,774.19 and payroll in the amount of \$256.00. The motion passed unanimously.

C. Financial Report

Cosgrove reported transferring \$5,000 out of investment pool to cover expenses. Currently there is \$37,500 in the fund with \$35,000 in the investment pool; \$11,000 remaining in the budget for expenditures.

D. Managers' Report

Haefele reported he made the usual postings to the website; updated water use graphs and tracking the same as 2014; added instructions on how to access DOE data base.

On the consumer letter regarding conservation, asked if it should be personally addressed or just to customer; agreed to addressing as customer; will have it ready tomorrow; asked if placards should be produced. Olson said he posted one in his guest bathroom and had several positive comments, suggested making one for each customer. By consensus, it was agreed to send a placard to everyone.

There was discussion in an earlier meeting about increasing the number of hook ups; contacted Leslie Jolyn, replacement for Steve Deem with the DOH, informed her of prior discussions with Deem; Jolyn more than happy to assist in how to calculate the ERU's, will begin the process.

There was a question at one time if a back flow preventer was not functioning or in place, could the customer be cut off; found WAC that covers cross connection control, all water systems have to comply with cross connection control requirements, manual for MWHC covered it; read sections of the WAC; need to adopt a resolution that puts forth this policy, will write resolution that meets requirements of WAC.

In preparation of a letter for the Reeve's, was reading the regulations and noticed the word contiguous property mentioned, but determined that it didn't apply; laid out map of Reeve's property and surrounding area; owner's of 60% or more of the total acreage in the parcels needs to approve annexation; suggested sending Reeve's a service agreement, then getting approval for additional hookups, then going back to Reeve's and surrounding properties about annexation through petition. After further review of the map, it was determined that property at the end of Bat 'n Ball Lane (which is owned by the Reeve's) was contiguous to the Reeve's other parcels. Haefele will prepare a letter based on this new information.

Jennings asked if the backflow preventers were at the meter or the customer's residence. Hefele said it could be either, usually on the customer's side of the meter; should be tested once a year, for water purveyors there should be back flow testers available, don't think there are any on Lopez; San Juan doesn't have one and the water companies there get together and hire a company from off island.

E. Commissioners Reports

Olson reported that he spoke to Paul Kamin from the Eastsound Water User's Association, inquired if they have contracts with customers. Was informed that they have member agreements; rates are by type, residential is 1.0 ERU and commercial are 1.75 ERU; inquired about vacation rental type units and were they on a different rate structure. They don't have a different rate structure but have noted that vacation rentals consumed 20% more than residential units; customers are allowed 100,000 gallons per year, which is 8,220 per month; average domestic use is 2,890 gallons per month; will get a copy of their member agreements.

F. Public Comment

It was asked what the dotted lines on the map represent. Jennings replied that he thought they were dirt roads.

G. Commissioners Additions to the Agenda

Jennings asked to add discussion on water user's agreement.

UNFINISHED BUSINESS

A. Resolution 2018-02 – Adopting a Policy Regarding Water Shortages

Cosgrove said Haefele had sent out two examples. Olson asked if there were preferences. Anderson said no; Olson said he liked the longer one; Jennings concurred with Olson. Jennings moved, seconded by Anderson to approve the longer version. The motion passed unanimously.

B. Resolution 2018-03 – Adopting the 2019 Budget

Olson moved, seconded by Jennings to approve Resolution 2018-03. The motion passed unanimously.

C. Billing Tiers and Commercial Rates

Haefele said he reviewed the rates for all the community water systems in the county and no one had a commercial rate; if water conservation is the desired goal, then make sure rates are structured so that those that use larger amounts, pay more for that usage. Jennings said if we stayed with the current rates that they could be amended in the future if the need arises. Olson said there are two issues – one of consumption by a vacation rental or general consumption that is excessive for such uses as landscaping, irrigation, etc.; may want to make fees higher if general consumption increases. Jennings said he would want to provide service to residential customers first and then the vacation rentals; was concerned about potential changes to aquifer and the need to be prepared for that. Where unnecessary use occurs, additional fees should apply. Olson said that the product should be protected, excessive current use is taking away from available water use in the future; would it make sense to add another tier. Jennings said he wasn't opposed to that. Jennings said it needs to be monitored closely. It was suggested to add another tier of 30,000 gallons and over monthly usage, Olson made a motion to create another tier for usage of 30,000 gallons and over be billed at 5 times the base rate. Jennings seconded the motion. Haefele said when the original rates were established, the base rate covered the fixed costs and the tiers would cover the variable costs; suggested looking at the rates overall and currently feels that they are low; will do additional research looking at other water companies that have a tiered rate structure. The motion was tabled.

D. Discussion on Water User's Agreement

Jennings said he would like to have something written but not necessarily an agreement; that Haefele had mentioned in the past that the resolutions and policies created and approved basically establish what an agreement would; can a document similar to an agreement be created; likes to see things black and white and not gray, can read and know what the rules/regulations are. Haefele said he would double check the RCW's and WAC's but understands that since this is a district the state regulations control the district and the customers rights; for those within our boundaries a mutual agreement is not needed, have the authority to say to the customer that you are within the district's boundaries and that is what controls the relationship including terminating service to a customer; that information could be put on the website. Olson said he has some of the same concerns as Jennings, would like to know what the rules and regulations are. Haefele suggested writing a document titled statement of district policies. Jennings and Olson both liked the idea. Haefele to prepare a document for review.

NEW BUSINESS

None

ADJOURNMENT

There being no further business Olson moved, seconded by Jennings to adjourn the meeting at 6:37 p.m.

Commissioner

District Clerk