

**MACKAYE HARBOR WATER DISTRICT  
BOARD OF COMMISSIONERS  
MINUTES  
January 21, 2019**

**CALL TO ORDER**

The Board of Commissioners for MacKaye Harbor Water District met in regular session on January 21 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), clerk Helen Cosgrove and guest, Linda Noreen.

**ELECTION OF CHAIR**

Anderson moved, seconded by Jennings to nominate Olson to serve as chair. The motion passed unanimously.

**REGULAR BUSINESS**

**A. Approval of December 17 Minutes**

Olson made one change in last sentence of commissioners report, change “of” to “in” after diligence. Jennings moved, seconded by Anderson to approve the minutes of the December 17 with change. The motion passed unanimously.

**B. Approval of Vouchers and Payroll**

Cosgrove distributed the claims payment request form, there are two sets; had money in investment pool that couldn't be moved to general fund to cover balance of 2018 expenses. Anderson moved, seconded by Jennings to approve payment from the general fund vouchers in the amount of \$7,597.72 and \$247.08 and payroll in the amount of \$297.67. The motion passed unanimously.

**C. Financial Report**

Cosgrove noted that if the expenses for 2018 were included in the 2018 budget, the budget for ending funds would have been within \$300 of the budget; have collected almost half of the billings; moved \$8,500 out of investment pool, will transfer money back in after receivables are collected. Received a letter from the county regarding 2019 elections, Jennings and Anderson need to run

**D. Managers' Report**

Hafele reported the web postings were done, revised water usage chart posted.

Had a conversation with Joleen Leslie, DOH regional engineer; correct in interpretation that the small district's water manual must be updated before any additional hook ups will be considered; can use MHWC manual as a basis but must update governance, policies, district capacity, financial capacity, capital improvements plan, construction standards, full assessment of physical capacity based on water rights and the system's capabilities, can't move forward until it is complete; was asked if there were plans to expand the boundaries, the District has to have the capability to serve all undeveloped

parcels within its boundaries before expansion is allowed, may want to leave Reeve's situation as is and not incorporate their properties in to the District. Commissioners agreed to hold the Reeve letter.

Leslie said financial capacity assessment and capital improvement plan must include a plan to replace the entire system, if needed. Haefele said he had never heard of such a requirement with the other water systems he has worked with; doesn't think there is a legal requirement for that; capital improvement plan has to be supported by the rates. Original question of how ERU's were to be calculated was never answered; need to set priorities. Olson asked if these are standard requirements. Haefele said most of it was but that replacement of entire system seemed excessive; will contact Leslie again and ask for regulations that require that need.

Leslie had sent Haefele a checklist of items to be included. Jennings asked if there were boiler plate plans that could be used. Haefele said that a number of the items on the checklist were items that the District has had conversations about, but will need to be in more detail; will send copy of WAC that says what needs to be in the plan.

Haefele noted that the calculations Eastsound did to determine their rates allowed the lowest user to pay the same as a high user, set base fee so higher use customers weren't benefiting. Jennings said he liked their rate structure, that a low water user could contact EWUA and discuss an adjustment of their bill; liked standby policy and that rate increased dramatically when use was in excess of 20,000 gallons in a month.

Olson asked if it's possible for Haefele to complete the manual. Haefele responded that he could but it would take a long time to complete it and suggested hiring someone to do it. Jennings said he has concerns about customers giving up second hookup; Eastsound requires a rental or second house on a property to pay an additional .5 ERU, want separate meter for second house not for billing purposes but to determine water use by additional house with any request for increase in service connections.

Olson said there is not a huge demand by new customers; so don't need to respond immediately with any request for increase in service connections. Haefele said the update only needs to be done if the District wants to add hookups. Jennings said the legal research needs to be done to determine specific requirements.

#### E. Commissioners Reports

Jennings noted the puddle is still there by the wellheads. Haefele said the meter readings indicated that something was going on, confirms leak. Jennings said the last time there was water running out but this time the puddle hasn't changed much; looks like it's in the trench line. Haefele will talk to Arnott about it.

Jennings asked to have Arnott paint the stand pipes blue so that they stand out. Haefele will do.

#### F. Public Comment

Noreen said at the firehall there is a large map on the wall that shows every hydrant and standpipe; curious if the one on Agate Beach Lane is shown on it. Concerns about multiple houses on a parcel and whether they should be metered or not; may be one way to find leaks. Haefele said that one way to find a leak is to ask the customer to turn off their water and see if the meter is still running.

#### G. Commissioners Additions to the Agenda

None

### **UNFINISHED BUSINES**

#### A. Discussion on Statement of District Policies

Haefele asked if the policy should be posted to the website. Olson said the policies are fine and can be posted. Jennings noted the policy can be changed in the future, if needed.

Olson suggested discussing the guest houses and rentals; becomes a commercial rental if the owners don't live there. Jennings said EWUA treated a rental as another ERU. Olson read a section of their contract, only one meter per parcel allowed. Jennings said if the guest house is used as that, there won't be a long-term increase in water usage but if it's a long-term rental the usage will go up. If a distinction is made on a rental, how should that be handled; how would you know it's usage. Jennings said a long-term rental would be a whole new unit and should pay another hook up fee.

Olson noted that there are several homes in Salmon Point with guest houses, where the potential exists for usage to change. Jennings said that those that are not using their second hookup should be charged a lesser rate. Anderson asked if the guest house is metered and were there two connection fee charges or only one.

Olson said there is only one that he knows of that is paying for 2 hook ups; goes back to the days when MHWC required residents with guest houses to pay for 2 connections and didn't feel it was fair that they should be paying for two when others in Salmon Point weren't; there should be consistency. Anderson said that until a guest house policy is created, there should only be one hookup charge for the time being; not right that everyone is not treated consistently.

Haefele said he wondered why the rental house determination is important and is ill founded to create a rule that is unenforceable and when the situation is dynamic; use may change from a rental to an owner using the residence themselves; it would be difficult to police; should establish a policy that there is one hook up for one parcel and not be overly concerned about the usage of the residence. Olson concurred that one meter per tax parcel would be consistent; submeters are just not read by most districts.

Jennings said he still believes that rentals such as Airbnb should be billed more. Anderson also thought that one meter one parcel was a good policy, keep it clean. Discussion on vacation rentals

will be discussed at another date. By consensus, it was agreed that the customer will not pay the full fee for 2 hookups.

**NEW BUSINESS**

**A. Discussion on Eastsound Water Users Association Contract with Customers**

Tabled to the next meeting. Haefele will ask EWUA how do they find out if the residence was being used as a commercial rental.

**ADJOURNMENT**

There being no further business Olson moved, seconded by Jennings to adjourn the meeting at 6:45 p.m.

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Commissioner – San Olson

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District Clerk – Helen Cosgrove