

**MACKAYE HARBOR WATER DISTRICT
BOARD OF COMMISSIONERS
MINUTES
April 15, 2019**

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met in regular session on April 15 at the MHWD village office. Chairman Olson called the meeting to order at 4:00 p.m. Present were commissioners KC Jennings and Dean Anderson (by phone), manager Wayne Haefele, clerk Helen Cosgrove and guest Linda Noreen.

ENTRANCE CONFERENCE WITH STATE AUDITOR'S OFFICE

A conference call was held with the auditor's office. Deena Garza from the SAO introduced herself and other members of her team – Andrew Tan and Susanne Hancock. Garza explained what the process covered, what the purpose of the audit was, what areas they would cover and would be performing an accountability audit, reviewing compliance with entity formation, open public meetings and accounts receivable. Olson asked if documents provided are sufficient for their needs. Tan said that Cosgrove had provided all necessary documents and answered questions in a timely manner.

They have started the audit and should be completing it later in the week; an exit conference will be held once the audit has been wrapped up. Jennings asked how frequently the District would be audited. Hancock replied that this is the first audit after formation and this audit establishes the type of future audits; a 2-year assessment audit would be performed in the future, it's much smaller in scope and costs would be less. Olson asked if there would be another meeting after the report is completed. Garza replied that an exit conference could be arranged after completion of the audit. Olson thanked Garza for their time.

Anderson asked about the costs of \$5,500. Garza explained that was an estimate and there was a sliding scale for the assessment but the first audit is larger in scope because they would like to make sure that the District is properly running the business and complying with all the RCW's and WAC's that apply so costs are higher; future audits would be less expensive. He expressed his concern about the costs relative to the income the District collects. Garza replied that they understand those concerns, try to keep costs to a minimum and will discuss at the exit conference.

REGULAR BUSINESS

A. Approval of March 18 Minutes

Olson moved, seconded by Jennings to approve the minutes of the March 18 minutes as presented. The motion passed unanimously.

B. Approval of Vouchers and Payroll

Cosgrove distributed the claims payment request form; OPALCO bills not out yet, will add once invoice is received. Jennings moved, seconded by Anderson to approve payment from the general fund

vouchers in the amount of \$2,606.20 and payroll in the amount of \$384.00. The motion passed unanimously.

C. Financial Report

Cosgrove distributed the fund report. Reported the last receivable was paid; have \$50,700 cash in the fund of which \$46,500 is in the investment pool; will have to transfer money next month to cover invoices. Olson asked if the district had budgeted for the audit costs. Cosgrove replied that there was \$4,000 budgeted for the audit.

D. Manager's Report

Haefele said he had spoken to Doug at American Leak Detection about their proposal; costs seemed high but was uncertain about how to proceed. Jennings said that the water loss could add really up over a year.

Haefele has spoken to Arnott about the well site and doesn't think there is a leak there and it's ground water from a nearby pond; there is a shut off valve at the combo meter; could set things up to do a hydrostatic test, install bladder tank at well site, if there is movement of water, it would show that there is a leak at the well site.

Jennings said there were other things that can be done such as checking valves in the system; felt costs were steep, paying for a lot of travel time. Olson said he thought decisions need to be made to put in shut off valves to try and isolate and locate leaks on our own. Haefele suggested laying out a specific plan for Arnott, shutting off water to customers to isolate parts of the system. Olson and Jennings both agreed that the district could do a lot on its own to find the leak before hiring a company to solve the problem. Haefele will move forward by creating a work list for Arnott to begin the process. Anderson asked if the commissioners could help in anyway. Haefele said the commissioners could assist in contacting individuals and reading meters during the isolation process.

Cosgrove said she received a call from an individual that would like to hook up to the system and there is no agreement or other type of paperwork to complete to hook up. Jennings said there are examples from the Eastsound Water Users Association that could be adapted to be used by MHW. Haefele said a new customer agreement could be prepared; that we are a water district and are subject to state rules and regulations; had come up with a proposed list of rules and regulations to be posted to the website but it hadn't been approved.

Olson suggested sending to all current customers an agreement for them to sign. Jennings thought there would be pushback from some of the customers. Olson asked who would like to prepare a new customer contract. Haefele to prepare one. Cosgrove asked what she should do for the person interested in connecting to the system now. Haefele said this could be resolved by writing the individual a letter and will be in contact with him.

Jennings said that the cross-connection issue could be a possibility there since the residence is currently hooked up to a well. Haefele said that a back-flow preventer could be installed. Olson suggested including that in the letter. Jennings said the line from their well could be cut and capped and that he has a well and uses the water only for outdoor watering and it's not connected to the house. Hafele will contact the individual and prepare a letter.

E. Commissioners Reports

None

F. Public Comment

Noreen said she has not received an OPALCO invoice and there were numerous others that were faced with the same problem; wondering why OPALCO had not sent a notice out regarding the lack of delivery of the bill; brought it up because of penalties assessed. Cosgrove replied that she gets MHWD OPALCO invoices on-line and not thru the mail.

Olson asked Noreen what she thought of the entrance conference. Noreen said it was interesting and thought the costs were outrageous.

G. Commissioners Additions to the Agenda

None

UNFINISHED BUSINESS

A. Small Water System Management Program Guide

Olson said that we should move forward on this. Jennings noted that the management and financial sections would be easy to complete; that there was a suggestion that information be sent out with each billings such as information about the audit, meter replacements, one of the things the guide mentioned was customer relations; time lines were interesting as to what needs to be done at what time; easy reading but having issues digesting it all. Olson noted we need to proceed with this; sit down as a group, go thru the segments. It was decided to schedule a workshop in July open to customers.

NEW BUSINESS

A. None

ADJOURNMENT

There being no further business the meeting adjourned at 5:28 p.m.

Commissioner – San Olson

District Clerk – Helen Cosgrove