

**MACKAYE HARBOR WATER DISTRICT
BOARD OF COMMISSIONERS
MINUTES
September 20, 2021**

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met on September 20 at the Lopez Island Library and via zoom. Chairman Olson called the meeting to order at 5:25 p.m. Present were commissioners KC Jennings and Walt Krumbholz, manager Wayne Haeefe, clerk Helen Cosgrove and guest Linda Noreen.

REGULAR BUSINESS

A. Approval of August 9 and 16, September 7 minutes

Krumbholz moved, seconded by Olson to approve the minutes of the August 8 and 16 and September 7 meetings. The motion passed with Olson and Krumbholz aye and Jennings abstaining.

B. Approval of Vouchers and Payroll

Cosgrove distributed the claims payment request form and the payroll form, additional bill was from Technosense for website repairs, payroll high because of the special meetings. Olson moved, seconded by Krumbholz to approve payment from the general fund vouchers in the amount of \$3,153.98 and payroll in the amount of \$938.67. The motion passed unanimously.

C. Financial Report

Cosgrove distributed the general fund report; received last receivable payment, overbudget on two-line items, bookkeeping services and other professional services; 67% of expenditures remaining and 100% of revenue collected; have \$61,900 in the fund of which \$50,000 is in the investment pool. Cosgrove said the 2022 budget needs to be prepared and approved by November.

D. Manager's Report

Haeefe said that the focus has been finding financing and moving forward with this project; DOH approved everything this past week which allows construction to proceed; spent last week writing the project manual, in doing so, it was determined that there are other things that need to be done before moving forward with construction and suggested that the project be moved to 2022, go out for bid and award in January and proceed in February. Still need to get easements, as does OPALCO; needs to write specific easements, one for joint roadway and 3 for the lot owners; get temporary construction easements for work by subcontractors; storm water management planning will be required by DOE due to length of trench, the area is wet by nature, spring would be a better time; there was detailed discussion about the construction materials and techniques to be used; OPALCO review and coordination needs to be followed up on – look at drawings and specs and get their approval, also need an agreement with OPALCO.

Olson suggested having a community meeting, covering the project, costs and easements. Haefele suggested hiring an on-site construction manager, the water manager at Friday Harbor is retiring and he is considering doing independent work, is experienced in this area, would have to house him because of daily inspection requirements. Jennings asked about the need for a cultural person. Haefele said he didn't know how much pre-design work OPALCO had done and if it included that review, will check with Vekved. Jennings suggested boring because of the possibility of finding something because of a cultural review. Haefele said he would revisit that option; special meetings will be required during this process.

Commissioners Reports

None

F. Public Comment

Noreen mentioned that about 5 to 6 months ago, doing something for the commissioners regarding an email issue, wanted to know why there wasn't MHWD emails instead of using personal emails. Haefele responded that all have MHWD email addresses and everything he sends out he sends to both District and personal email addresses.

Noreen said she was glad to hear that an informational meeting was going to be held with the community; felt it should be held sooner rather than later; would like to be able to comment prior to completion of plans. Olson asked if a zoom meeting would be satisfactory. Noreen suggested including an in-person option, too.

Noreen noted that a document passed around at a recent HOA meeting showed the lane being 30 feet wide and not 25 feet; felt that needs to be confirmed. Krumbholz said that there had been a lot line adjustment that identified the width of the road. Haefele said the width of the easement is 25' based on the county GIS map.

G. Commissioners Additions to the Agenda

None

UNFINISHED BUSINESS

A. Financing for Agate Beach Lane Project

Krumbholz reported that he had been in contact with 4 banks, good conversations with 3 of them. Banner Bank isn't doing term financing, only construction financing; Cashmere Valley Bank does do municipal financing, type of project they would be interested in pursuing, 10 to 15 year financing term, interest rate is reviewed every 5 years, would require bond counsel costing \$5,000 to \$10,000, no prepayment penalty; Kitsap Bank was contacted, have not replied; Savi Bank was the most promising for being a financing partner, have a municipal loan department dedicated primarily to sewer and water

projects, had been involved with financing with the Cattle Point Water District on San Juan, very similar with what MHWD is pursuing, bond counsel fee discounted to \$3,500, will provide construction financing for 3 to 6 months, that could become term financing, up to 15 years, for discussion purposes 3 ½% interest rate was mentioned. With the terms presented, it would be best to go to USDA for long term financing over 20 to 40 years.

Cosgrove said that before an application can be made to the USDA or the RCAC there needs to be a street address; a D & B DUNS number and an account with sams.gov are both required for the USDA, RCAC. Cosgrove to follow up on getting a street address. Contacted the county about funding from the American Rescue Plan Act and they want a letter from MHWD explaining what the project is and how much is needed. Haeefele said the original costs were only for construction and didn't include ancillary costs, will put some new numbers together. Krumbholz said funding needs to be arranged before the project starts; Cattle Point Water District was able to get a combined loan/grant from the USDA.

B. Advertisement for Construction at Agate Beach Lane Project

See manager's report, project delayed, no need for advertisement now.

C. Clerk's Replacement

There were 2 resumes submitted; will hold a special meeting on October 4th or 5th to interview the individuals in executive session along with additional discussion about financing. Cosgrove to contact applicants to confirm a date and time; preferred would be 3:00 p.m. start time.

NEW BUSINESS

None

ADJOURNMENT

There being no further business, the meeting adjourned at 7:40 p.m.

Commissioner – San Olson

District Clerk – Helen Cosgrove