

**MACKAYE HARBOR WATER DISTRICT  
BOARD OF COMMISSIONERS  
MINUTES  
October 18, 2021**

**CALL TO ORDER**

The Board of Commissioners for MacKaye Harbor Water District met on October 18 at the residence of San Olson and via zoom. Chairman Olson called the meeting to order at 5:35 p.m. Present were commissioners KC Jennings and Walt Krumbholz, manager Wayne Haefele via telephone, clerk Helen Cosgrove and guest Linda Noreen.

**EXECUTIVE SESSION:** Postponed until later.

**REGULAR BUSINESS**

**A. Approval of September 20 Minutes**

Olson asked that the anacronyms be spelled out. Krumbholz asked that the interest rate be deleted. Olson moved, seconded by Krumbholz to approve the minutes of the October 18 meeting as amended. The motion passed unanimously.

**B. Approval of Vouchers and Payroll**

Cosgrove distributed the claims payment request form and the payroll form, Jennings moved, seconded by Krumbholz to approve payment from the general fund vouchers in the amount of \$3,390.93. The motion passed unanimously. Olson moved, seconded by Krumbholz to approve payroll in the amount of \$768.00. The motion passed unanimously.

**C. Financial Report**

Cosgrove distributed the general fund report; reported there is \$58,000 in the fund, about \$7,000 higher than last year at this time; still need billings from A & A Well Drilling for 6 months of services; over budget on bookkeeping services; \$61,000 remaining in expenses. Cosgrove reported that the District was assigned a street address – 549 Aleck Bay Road.

**Manager's Report**

Haefele reported that he had heard from Arnott regarding the need to clean the storage tank; will disrupt service briefly, there will be a pressure drop in the gravity section of the system, will have to chlorinate water in tank after cleaning. Jennings asked if the chlorination could be done in the evening, during a low use time. Chlorination was a required addition by the DOH in the SWSMP application. Jennings asked to have the outside cleaned. Customers need to be notified 72 hours before cleaning.

Has been working on the easements for the 4 affected properties on Agate Beach Lane, narratives are written but map hasn't been completed; will email to Krumbholz for review. Once the easements are completed, will send to OPALCO.

The SWSMP was approved, has submitted electronically the copy they wanted, but also want two hard printed copies; asked that copies be returned to Cosgrove to be updated and mailed off to DOH. Would like all copies for them to be updated. Cosgrove says she has two copies.

Haefele said a public informational meeting needs to be set up. After a brief discussion, it was decided to hold a meeting at the library, to use needed zoom access, to include all customers to the meeting, on either November 9<sup>th</sup> or 11<sup>th</sup> at 7:00 p.m. Will check availability of the library. Haefele said exhibits need to be prepared for the presentation. Olson said the agenda should include why it needs to be done, how we are going to do it, how it's going to be paid for and questions.

Projects Haefele has recently received bids for were typically 40% over the engineers estimates of costs; increases caused by material and labor shortages; suggests to continue to move forward until the bids are received, as a public agency MWHHD can reserve the right to reject all of the bids, if higher than expected, can't justify awarding at this time, wait until bidding climate changes, will come back down eventually; along with material and labor issues contractors are all extremely busy. Olson said inflationary trends may cause interest rates to increase.

Olson asked if Haefele had spoken to the retiring manager. He is interested but needs to check if he would still be interested in doing it next spring rather than this fall as originally discussed.

#### Commissioners Reports

Olson reported that he sent a letter to SJC Auditor Milene Henley requesting funds from the American Rescue Plan (ARPA). She wanted to know how many customers were affected – 22 hookups or 35% of total customer base. There was discussion about staying connected with Rick Larsen's office about the funding from the Community Funding Project.

Krumbholz said with the possible 40% increase in costs, he calculated what the billing increase would be at 1.2% interest for \$225,000 for 15 years and 40 years and then at \$315,000 for the same time periods; \$225,000 for 15 years increase annually would be \$252, at 40 years \$104, \$315,000 for 15 years would be \$353, at 40 years \$145. Is this range considered reasonable? Olson said that staying under \$30 per month would be acceptable; need to inform customers the intent is to keep the increase as low as possible. Keeping the system reliable is important and these improvements are needed to keep the system functioning in a reliable manner.

#### F. Public Comment

None

#### G. Commissioners Additions to the Agenda

Jennings said that he recently was contacted by Gary Buffum regarding the easement on his property where the wellfield is; said he had a discussion with the county about an address request for the wellfield, thought we were going to put in a 60,000 gallon water tank; didn't think the District had any right to serve anyone

other than the Salmon Point community. Jennings said he read the easement and it does not specify that it is limited to Salmon Point and that it is for providing water for public consumption; Jennings then read the easement. Olson asked Haefele if he felt that the easement would prohibit the installation of a holding tank there. He said no; no need to engage with Buffum until a decision is made to install a tank there.

**UNFINISHED BUSINESS**

**A. Approve Contract with Alice Haefele, District Clerk**

Delayed until completion of the balance of the agenda.

**B. Financing for Agate Beach Lane Project**

Krumbholz says he covered most of the details earlier; feels the USDA is a critical component of financing and needs to be pursued.

**NEW BUSINESS**

**A. 2022 Budget**

Cosgrove distributed the proposed budget for 2022; grant/loan and construction costs offset each other, increased bookkeeping and commissioners amounts because of construction that will be undertaken next year; put in amount for state auditor, should start in November could roll over to 2022; increased insurance because of increase in 2021, currently a shortfall, will make some adjustments to balance the budget. Cosgrove brought up the reimbursement from OPALCO and that would change the costs to the District. Haefele suggested that until an agreement is made with OPALCO, leave it out of the budget and then amend it next year once the amount is determined.

**UNFINISHED BUSINESS**

**A. Approve Contract with Alice Haefele, District Clerk**

The meeting adjourned to executive session at 7:00 p.m.

The meeting returned to open session at 7:17 p.m.

Olson said the District is prepared to offer Haefele a modified contract and to negotiate with her training time; if she agrees, then Cosgrove to begin training her, effective work date to be November 1<sup>st</sup>.

Krumbholz said a conversation needs to occur before the information meeting; Cosgrove will organize the setup for the meeting.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 7:20 p.m.

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Commissioner – San Olson

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District Clerk – Helen Cosgrove