

**MACKAYE HARBOR WATER DISTRICT
BOARD OF COMMISSIONERS
SPECIAL MEETING MINUTES
November 9, 2021**

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met in special session on November 9 at the Lopez Island Library and via zoom. Chairman Olson called the meeting to order at 7:00 p.m. Present were commissioners KC Jennings and Walt Krumbholz, district manager Wayne Haefelee via Zoom, district clerk Helen Cosgrove and guests Alice Haefelee and Linda Noreen.

INFORMATIONAL MEETING: Project at Agate Beach Lane and other upgrades being considered

The purpose of this special meeting was to provide the public with details on and an opportunity to discuss the Agate Beach Lane project and other upgrades that are being pursued by MacKaye Harbor Water District.

A. Introduction, overview, history and why of the project

Olson formally introduced all present at the meeting; discussed the history of MHWD, explained the problem with erosion at Agate Beach and the necessity to move the pipe inland. He stated that after one year working on a solution, it was decided that the main should be moved into Agate Beach Lane between the two rows of houses.

B. Partners, permits, and easements

Haefelee presented exhibits of the Agate Beach area and discussed the location of the current lines as well as the proposed relocation; explained how the plan has developed over the last year and the decision to share the trench and therefore the cost of the project with OPALCO. Rock Island is being approached to share the trench as well and CenturyLink was already approached but was not interested. Stated that a county road permit would need to be obtained but he expects this to be expediently supplied; no other permits will be required but there will be four property easements needed; concluded that the project will need to be completed this coming spring.

C. Financing options explored to date

Krumbholz explained the range of possible funding options and the need for approved funding before starting the project. The funding possibilities presented were Grants – Federal (Community Funding Project and USDA), County (ARPA, American Rescue Plan Act), State (Public Works Board, Community Development Block Grants); Government Loan – USDA, Rural Community Assistance Corporation; Conventional Financing – Construction Loan, Municipal Bond Financing. He expressed that the goal is to find the lowest cost funding possible and that the end cost to the customer will depend on what funding/financing MHWD is able to secure. He further explained the progress that has been made so far on pursuit in pursuit of funding, including the inclusion of an \$870,000 project allocation budget in the FY 2022 Community Funding Project (CFP), which is currently held up in the

budget process. This would provide 80% of the project budgeted amount with \$694,480 paid by CFP funds and \$175,520 paid by MHWD. An application was submitted to the Public Works Board for state funding to cover this remaining \$175,520 but MHWD did not make the cut for 2021 funds. Possible 2022 legislative funding is under discussion with Representative Lekanoff; a funding request is also pending with SJC Auditor for funds under the American Rescue Plan Act (ARPA). Krumbholz explained the information that has been gathered thus far about conventional municipal Loan options; these loan opportunities will not be pursued unless more advantageous funding options are not realized. He then gave a rough example of the cost of the project to customers in a worst-case scenario.

D. Description of physical work to be done

Haefele explained in further detail the work that is anticipated on the Agate Beach main relocation project. He stated that 4 pipes will need to be trenched under the roadway using open cut trenching. There will be as little interruption for residents as possible and full access to homes will be restored at the end of each workday. The contractor will provide access during the workday, but traffic is not expected to be heavy in this location; project to take a little over a week; OPALCO does have some requirements that MHWD does not have that will need to be accommodated including bringing primary power to the end of the lane. An easement is needed with customers in case a repair needs to be made but in terms of the actual construction at the end of the lane, it will all be done by directional drilling which does not require digging up anything.

E. Other planned and needed improvements

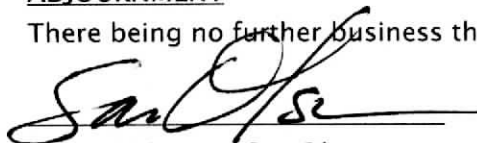
Olson reviewed the other projects listed previously by Krumbholz. Haefele emphasized the importance of three in particular: 1) Well #2 must be replaced as there is damage to the well casing which is thin due to corrosion. Perforations can cause the well to collapse and become unusable. It can also become contaminated. 2) The current old generator broke last year during a crucial power outage and was not efficient even when working – fixed propane generators are needed that will complete auto run monthly for maintenance. He emphasized that this is very important and not a huge investment at only \$8k per unit plus electrician charges. 3) The pressure issues need to be fixed – the Dept. of Health objects to customers having low pressure below minimum required to prevent contamination. There is a need to explore options for pressurizing the system and to accomplish this as soon as possible. He stated that these three projects are the most important aside from the Agate Beach Line Relocation.

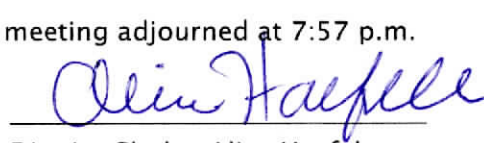
QUESTIONS

Olson opened the meeting to questions. None were presented.

ADJOURNMENT

There being no further business the meeting adjourned at 7:57 p.m.


Commissioner – San Olson


District Clerk – Alice Haefele