

**MACKAYE HARBOR WATER DISTRICT  
BOARD OF COMMISSIONERS  
MINUTES  
March 21, 2022**

**CALL TO ORDER**

The Board of Commissioners for MacKaye Harbor Water District met on March 21<sup>st</sup> 2022 at the residence of San Olson. Chairman Olson called the meeting to order at 5:30 p.m. Present were commissioners San Olson, KC Jennings, and Walt Krumbholz; manager Wayne Haeefe; clerk Alice Haeefe; and guest Linda Noreen.

**REGULAR BUSINESS**

**A. Approval of February 21 Minutes**

Krumbholz noted that the minutes for the last two meetings, while accurate, were overly long and detailed and recommended that going forward the minutes focus on key discussion points, decisions made, next steps planned and identification and tracking of action items. Following discussion, consensus was reached that the minutes should be less detailed moving forward, but that the February 21 minutes did not need to be revised; A. Haeefe agreed that she would be happy to be more succinct in writing the future minutes. No additional corrections were noted; Krumbholz moved, Jennings seconded; the motion passed unanimously to approve the February 21 minutes.

**B. Approval of Vouchers and Payroll**

A. Haeefe distributed the claims payment request forms and the payroll form. She pointed out that there are still some timing issues with the utilities causing late fees; the timing of the County AP weeks prevents timely payment of the OPALCO bills in some months because the OPALCO invoices come out after the first AP week, but payments are due before the next AP week. She stated that CenturyLink could be paid on an early claim because the invoice comes out in time, however this was not the case for OPALCO. Olson asked if A. Haeefe had spoken with Helen about this issue; A. Haeefe responded that Cosgrove had mentioned having had these issues in the past, and that a group email had recently been sent out by another district asking for feedback on if others were having this also having this problem; MHWD is not the only entity having the issue. Jennings suggested that A. Haeefe speak with Helen Cosgrove again about how best to resolve the issue; Olson recommended calling the County and explaining the issue; A. Haeefe agreed to look further into solutions as well as review the County AP calendar to see how many other months of this year that the timing would cause problems.

Commissioners had no further comments on the vouchers or payroll. Krumbholz moved to approve, Jennings seconded; payroll was unanimously approved in the amount of \$384; the claims payment request was unanimously approved in the amount of \$3,532.95

**C. Financial Report**

A. Haeefe distributed the general fund report; she noted that all January 2022 water billings had been paid except for four so far; she said that she had sent out statements and the late fee invoices for all customers

with outstanding balances, except for one customer with health issues which impacts his ability to write and submit checks. The commissioners agreed that A. Haeefele should continue to work with the customer for timely payment and that no late fees should be assessed at this time.

A. Haeefele informed that she had looked at the QuickBooks records since last meeting and that the customer titled "Agate Beach Association" was going to Sue McArthur at #120.

A. Haeefele reported that for the current period, MHWD received \$4,047.93 from January 2022 billings, and \$29,710.69 in 2022 to date; she pointed out that the charge for bookkeeping services was lower by about \$1000 for February services; MHWD still has \$25,000 in the investment pool and a current balance in the General Fund of \$20,479.61. Olson asked what the budget for the first half of the year's billings income was: A. Haeefele replied that in addition to the \$29,710.69 already received, MHWD is still anticipating \$2,088.21 to come in.

Jennings requested that A. Haeefele always send a digital copy of the budget via email prior to the meetings in future. A. Haeefele agreed to do so.

There was discussion regarding an A&A Well Drilling invoice that had been sent to Barlow's Landing for the same services that MHWD had already paid for in January; Olson asked A. Haeefele to write a letter to Barlow's Landing informing them that the District had determined that in the case of a backflow preventer being necessary because of a risk to the system by the customer, that the customer is responsible for install and covering the expense; he asked if we also have backflow protection installed for Reeve; W. Haeefele replied that he is not sure and will have to review; he will call Stanley Arnott and ask. It was decided by consensus that A. Haeefele will send a letter and reimbursement invoice to Barlow's Landing for this charge.

A. Haeefele brought up that she had expected to see postage reimbursements on the WH&A invoice and asked Wayne what the status of the reimbursements were; he replied that he had not processed any of the easements yet, so he hasn't done the reimbursements yet, but that he still intends to.

#### D. Manager's Report

W. Haeefele reported that he had made progress on the USDA loan application engineering work; he said he had uploaded all of the reports to the online application and O'Connor had come back with commentary; Olson asked W. Haeefele if he felt that the USDA application would be ready to submit after these questions are answered; W. Haeefele responded that after he submits his answers, O'Connor will then pass them along to the review board for an answer; if they say it is accepted, then she will say it is accepted; if they have more questions, then we will have more work to do.

W. Haeefele also mentioned that with regard to the easements, he had revised the drawings to re-route the pipeline so that it doesn't take as much of a chunk out of the Charter property; he revised the easement language to include the change to the map and to include the language regarding the curtain drain the Charter's wanted; he had sent them a PDF of it to review and received confirmation from them that they will accept it and that, once they receive the paper document, they will sign it and send it back. Olson asked if this was the last easement and W. Haeefele confirmed; he also confirmed that OPALCO was ok with re-routing their plans as well.

Olson asked about the status of bids, W. Haeefele said that we have not advertised it yet and we can't until we have the funding; once the commissioners are satisfied with the interim and reimbursement funding and know that it is "a done deal", then they should direct him to advertise the project.

W. Haeefele said this concluded his report.

#### E. Commissioners Reports

Olson asked if there were any reports; Jennings said he had none; Krumbholz said he would save his for the financing section. Olson said that he did have a several items to discuss; he has yet to talk to OPALCO to tell them that MHWD received Federal funding; he also wanted to re-emphasize to A. Haeefele that she is authorized to contact Helen Cosgrove to help solve any problem, she will be paid as a consultant; he has talked to her and obtained her agreement that she is willing to do that. A. Haeefele said she has been in contact with Cosgrove frequently via email for questions she has had; She also said that she has talked to Helen Cosgrove recently about doing the review of the deposits for January billings for the audit requirement and that she will send Cosgrove the information as soon as the remainder of the payments come in.

Olson said he had sent around a press release for everyone to look at, but we won't send it out until we know the details of how we get the EPA funding.

#### F. Public Comment

Noreen advised that the name Sue McArthur is potentially one of the owners of the "Brick House" south of the Rigik's property and that she is likely the recipient of the invoice addressed to Agate Beach Association.

#### G. Commissioners Additions to the Agenda

None.

### **UNFINISHED BUSINESS**

#### A. Review List of Solutions to the 2019-2020 Audit and Recommendations:

Olson asked if we needed to discuss the audit further; Krumbholz said he thought that we had wrapped up the discussions regarding the audit at the last meeting; A. Haeefele clarified that she had included this on the agenda because she had intended to write up a document explaining the chosen solutions to the auditor's recommendations, but that she unfortunately had not done it yet; she will get it done for the next meeting and email it to everyone.

#### B. Financing for Agate Beach Lane Project:

Krumbholz stated that there are still some questions needing to be answered about the nature, terms and conditions of the EPA funding and that we need answers before we can move forward.

A. Haeefele said that she had reached out to Sean Connell at Representative Larsen's office for an EPA contact, but he told her that they would contact us directly when they were ready to provide further information. Krumbholz suggested that a joint call should be set up between the EPA representative, A. Haeefele, and himself as soon as a contact was made available; Olson stated that he doesn't want anything done without Krumbholz being involved; A. Haeefele agreed.

Krumbholz suggested that the document MHWD submitted when originally applying for the funding should be reviewed; it will advise on what MHWD asked for and the dollar amounts so that a defined group of numbers can be identified and used in discussion going forward.

W. Haefele mentioned that he had gotten a call from Dan Veckved alerting him that Rockisland had approached him regarding the cost allocations in his proposal; he stated that since they had not contacted him directly about their concern, he is not going to consider them as a partner until they come back to him to negotiate directly; he did confirm that OPALCO had already said they were in agreement with their portion of the cost allocation.

Krumbholz reported that he had had calls today with two of the banks he had previously contacted about interim loans in order to be sure that we were keeping the conversation going; both banks were still interested in providing financing; construction financing would be a comprehensive request for either a bond anticipation or a grant anticipation loan; we will have to submit an application for the entire scope of the project for qualified bond financing; the bond counsel will submit an opinion before the loan will be put in place by the bank. Krumbholz anticipates that this financing will have a draw process allowing MHWD to draw down for whatever projects we are able to complete within the timeframe of the funding; the EPA would require this draw process anyway; at the end there will be a dollar amount that is outstanding and then MHWD will use whatever funding sources it ends up having available to show repayment of the financing.

W. Haefele listed the projects originally included in the EPA funding proposal and said that in order to get the most done with the funding, MHWD will have to plan and have engineering in place for all of them: the project on agate beach lane, MHWD's portion of the project along the county road, the project to fix pressure problems between the well and the tank, the new storage tank and pump station at the well site, a new well, and generators. W. Haefele said he might not have the capacity to complete all of the engineering required in this short time window and that MHWD may need to seek additional consultants to do the work. Jennings asked if it would be possible to work on multiple projects at once; Krumbholz responded that the primary issue will be getting projects approved, funded, and completed for reimbursement regardless of if they are actually completed concurrently; it will take time to get the loan in place; but we can be working on the engineering and planning while the bank is finalizing the loan.

#### **NEW BUSINESS**

##### **A. Confirm change of April Meeting Date**

Olson called for approval of the change of meeting date from April 18<sup>th</sup> to April 20<sup>th</sup>. Krumbholz moved; Jennings seconded; the change of date was approved unanimously.

#### **ADJOURNMENT**

Olson declared adjournment. The meeting was adjourned at 6:55 p.m.

---

Commissioner – San Olson

---

District Clerk – Alice Haefele