

**MACKAYE HARBOR WATER DISTRICT
BOARD OF COMMISSIONERS
MINUTES
June 20, 2022**

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met on June 20th 2022 at the residence of San Olson. Chairman Olson called the meeting to order at 5:33 p.m. Present were commissioners San Olson, KC Jennings, and Walt Krumbholz by telephone; manager Wayne Haeefe; clerk Alice Haeefe by telephone, and guest Linda Noreen.

REGULAR BUSINESS

Olson handed the signed easements for the Agate Beach Lane project to W. Haeefe for delivery to A. Haeefe.

A. Approval of May 09 Minutes

Olson asked if anyone had corrections to the minutes; Jennings said the minutes were good but he still felt they were long; A. Haeefe said she would continue to make efforts to condense future minutes; no objections were noted; Olson moved to approve, Jennings seconded; the June 20th Minutes were approved unanimously.

B. Approval of Vouchers and Payroll

W. Haeefe distributed the claims payment request forms and the payroll forms on behalf of A. Haeefe; payroll was approved unanimously in the amount of \$384.00; A. Haeefe explained that there were three claim vouchers to accommodate due dates since the last meeting, which had been early in May; Jennings confirmed the 3 claim vouchers looked good; Olson moved, Jennings seconded; the claim vouchers were approved in the amounts of \$2970.22, \$76.02, and \$739.59.

C. Financial Report

W. Haeefe distributed the general fund report on behalf of A. Haeefe; A. Haeefe stated that there was nothing unusual of note, however she did want to point out that Helen Cosgrove had sent her invoice for her work on review of the January billings. A. Haeefe reported that there were no revenues for the month; the total expenditures including payroll came to \$3,460.67; the Balance Cash is \$13,153.90; and there is still \$25,000 in the investment pool.

Olson asked about the July billings coming up and noted that he would like to write a letter to send out to all customers updating them about the current status of projects and funding; A. Haeefe said she plans to send the invoices in the first week of July and will try to get the readings from Arnott as soon as possible; she will send out the customer letter with the billings. Olson stated he would draft the letter and then consult with A. Haeefe and Krumbholz on the information provided on the USDA and EPA funding.

D. Manager's Report

W. Haefele started his report with a reminder about the procurement policy; he read the document aloud stating that it was designed to meet RCW standards but not to add additional requirements; Krumbholz suggested that during formal competitive bid, the projected project value consistently be used; W. Haefele agreed and said he would update the document to specify "projected". Krumbholz also asked what qualifies as a "project"; for example, can the federal funds be broken down into multiple expenditures/projects? W. Haefele responded that normally a "project" is defined as everything that is required to solve a problem or reach a goal; for example, Agate Beach is a project to solve the erosion issue; and if we do something to fix pressure issues at the well field then that's another project; there is no prohibition in State law for combining projects, but there is a law against splitting a project apart.

W. Haefele also mentioned that a possible issue with our EPA funding application is that it was presented as one big project originally and there may not be an opportunity to break it down into sections; Krumbholz responded that this was a good point about the earmark funds and that there may be some benefit in treating it as one overall project worthy of funding, from the standpoint of positioning MHWD to deal with the consequences of climatic factors as the overarching goal; this would likely be the most saleable package. W. Haefele said that it doesn't matter how the project is defined for the purposes of procurement, but that once the project is defined, procurement needs to proceed in the manner prescribed.

W. Haefele said he will make edits to the resolution and bring it back to be signed at the next meeting; Olson moved to approve the resolution with changes; Jennings seconded; the policy was approved unanimously.

W. Haefele also suggested reviewing the timeline and determining which projects will take a long time and what needs approval (or not) before proceeding; for example, the well is a short-term project that can be started right away and get DOH approval later. He said he has started drawing up the priority timeline of projects but was not sure where to make the start date considering we may have to wait for the funding. A. Haefele pointed out the Agate Beach project didn't appear to be on the draft timeline; W. Haefele confirmed he must have forgotten it and will add it.

Krumbholz stated that some things need to get done soon but he is concerned about what will ultimately go through EPA; he knows that Matt Martinson has almost zero information on our original request; we will need to re-craft the request with new numbers and have everything in order for the entire scope before re-submitting to EPA.

Olson asked if we could get started on the projects in advance of EPA funding because we don't want to have to start projects in winter and it would show we are serious; W. Haefele responded that he wasn't aware of any prohibition on that but that we would have to fund it ourselves; he said we could start digging the well tomorrow from a permitting and bidding standpoint, but he wasn't sure if we could start and still obtain the funding for it.

W. Haefele said he emailed a list of companies that he knows works with small water systems, but he can't say if the pricing will be reasonable; he recommends that A. Haefele call all of them to ask for qualifications for the MHWD roster, and then commissioners can review them and choose between these companies.

E. Commissioners Reports

None

F. Public Comment

Linda Noreen complimented Alice on her good work, and said the board is doing a great job as well.

G. Commissioners Additions to the Agenda

None.

UNFINISHED BUSINESS

A. Financing for Agate Beach Lane Project:

Krumbholz reported that he had had another conversation with Matt Martinson from EPA Region 10; Martinson had said that he would share a memo about the EPA funding status but Krumbholz never received it; he called again and Martinson had told him that the memo wasn't ready yet and informed him that MHWD was the only recipient that had reached out to EPA so far; he also said that he was appreciative of our feedback. Krumbholz stated that he felt we have developed a good rapport with Martinson so far. According to Martinson, the memo is still in draft form being worked on by a committee and he is unable to provide specifics at this time; MHWD is one of 43 community projects receiving grant funding and the EPA is struggling to handle the process; Martinson said that he has shared some of MHWD's thoughts and concerns with the committee so that they can keep these in mind as they are working to address anticipated questions and concerns; among the issues addressed will be the expiration date of funds (which he believes is open ended), and the 20% match requirement and potential for waiving it (he believes they are somewhat liberal with this).

Olson asked if we will be able to consider the memo the final word? Krumbholz responded that it will be a summary of the EPA's planned approach and that he expects the process will speed up once this memo is out; there will be Q&A sessions so that we can move forward quickly.

Krumbholz noted that Martinson suggested going forward with creating a Grants.gov account; A. Haefele confirmed that she has already made a Grants.gov account for MHWD but will continue to update it.

Krumbholz also mentioned that we will be asked to submit a scope outline of the overall project request that was submitted to Larson's office, but he is hesitant to do anything until we get some guidance; he will ask at the Q&A session if spending money early will jeopardize our funding.

Krumbholz stated that MHWD's two constraints are the total dollar amount of the funding and the 20% match requirement; Olson asked if we don't have enough funds to complete the County Road Project at the end, but there are still some funds left in the budget, could we use them for something else? Krumbholz responded that we will need to do some balancing and do as much as we can within the constraints as it is not a "blank check" and he doesn't think MHWD will be allowed to spend any funds on projects not specified at the beginning. He said that we need to take another look at our prior estimates and present to the EPA what is most important; once W. Haefele starts project costs we will have a better idea of what we can request.

W. Haefele confirmed that he completed corrections to the engineering report for the USDA application but that A. Haefele will need to upload them to RDApply application; A. Haefele confirmed she will do so.

Krumbholz stated that he believes the USDA information will change to look more like the 20% that the EPA is requiring; he said we need to speak to O'Connor about this; we also need to confirm with EPA if we can count the full 20% for funds spent on just one project. A. Haefele asked if she should discuss the EPA funds with O'Connor; there was unanimous agreement that A. Haefele should postpone discussing EPA funds with O'Connor until more information is received from the EPA.

NEW BUSINESS

A. Change of July Regular Meeting Date

It was unanimously decided that the next regular meeting will be moved from July 18th to July 21st

ADJOURNMENT

Jennings moved for adjournment; Krumbholz seconded; The meeting was adjourned at 7:14 p.m.



Commissioner – San Olson



District Clerk – Alice Haefele