

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

**CALL TO ORDER**

The Board of Commissioners for MacKaye Harbor Water District met on July 21<sup>st</sup> 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; manager Wayne Haeefe; and clerk Alice Haeefe.

**REGULAR BUSINESS**

**A. Approval of June 20 Minutes**

No objections were noted; the June 20<sup>th</sup> Minutes were approved unanimously.

**B. Approval of Vouchers and Payroll**

A. Haeefe distributed the claims payment request forms and the payroll forms; payroll was approved unanimously in the amount of \$384.00; the claim documents were reviewed and no objections were noted; Olson moved, Krumbholz seconded; the claim vouchers were approved in the amounts of \$6,796.14, and \$77.00.

**C. Financial Report**

A. Haeefe distributed the general fund report; she reported that she had sent out the July billing with the customer letter, as well as the new customer water conservation cards to new customers; there were no revenues to report but there would be soon. An invoice was received from A&A Well Drilling for Feb-June water operator services; the total expenses for the month came to \$7,287.77; the balance cash is low at \$1,243.20; there is still \$25,000 in the investment pool. A. Haeefe said she had forwarded the CCR report from Arnott for the commissioners to review; OPALCO had misapplied payments to the wrong accounts (swapped) but it does not change the total amount paid.

Jennings expressed concerned over the amount of the A&A Well Drilling bill; A. Haeefe explained that the bill was for 5 months of services and that the fee per month was as it should be; Jennings said he wants them to send their billing more often; A. Haeefe said if she notices the monthly amount exceeding the \$650 monthly fee specified in their contract, she will mention it.

**D. Manager's Report**

W. Haeefe handed out a water use chart showing the usage for the first half of 2022; 2022 is lower than all prior years aside from 2012 and 2013; he attributes this to the cold spring and cool summer we have had thus far, decreasing the need for irrigation.

W. Haeefe shared a USDA document (RUS Bulletin 17-8026) listing all of the EJCDC (Engineers Joint Contract Document Committee) documents that need to be purchased in order meet the requirements for our upcoming projects. He explained that each form is copywrite and we have to pay for them all; USDA

makes sure we do; the complete set costs \$1,900; he requested a motion to authorize that expense. Krumbholz asked if there are reduced fees for future updates once we have already purchased; W. Haefele said he believes we can use this packet for all of our projects. Olson moved to approve the EJCDC document purchase, Jennings seconded; the motion passed unanimously. A. Haefele will start a spreadsheet to track all expenditures on upcoming projects. As there is no way to pay through the County except by check, it was agreed that W. Haefele would purchase the EJCDC documents and be reimbursed by the County on an early claim form. Jennings mentioned that he used to have a County Credit Card and suggested looking into this; A. Haefele will ask the County Clerk about credit cards.

W. Haefele handed out a map that shows where all the projects are located; Krumbholz asked why the boundary line doesn't include Reeve's property; W. Haefele responded that it was because they previously were not sure if the Reeves would be ok with the project and they wanted to make sure the district vote would pass; there is a process for defining or changing the boundary; you have to tell the elections department where the boundary is prior to the election that founds the district because they have to include or exclude individuals based on the boundaries. Krumbholz asked if there should be an amendment; W. Haefele responded yes, and that the County Surveyor had previously contacted him about redefining the boundaries so that it does not cut across parcels, but a surveyor will be needed in order to do this.

W. Haefele explained that the District Boundary Map is the basis of this map but this map shows where the work will occur for the full capital program; there is only one of the projects that takes place in multiple locations, the gravity zone pressurization project where work will need to be done at the well site and the intersection of Barlow Bay and MacKaye Harbor; the project estimate is very high at \$530,293.00 because he estimated it based on the "correct" way to do it, but there are other ways that would be more cost effective. The "right" way would be to build an 80,000 gallon storage tank, a brand new pump station with 3-4 pumps of variable speed to regulate pressure; to tie pipelines together differently, and have the current pressure tank system used only for people that are far up on Salmon Point. An alternative would be to build a much smaller storage tank at the well field and put in a shed with well tanks directly at the wells; the tanks would keep the gravity line pressurized and it would add the storage that the DOH is looking for to get more connections for a fraction of the cost.

Krumbholz said he had looked at W. Haefele's estimated numbers for all projects; he noted that with just the main four projects (Agate Beach, Well #2, Generators, Gravity Pressure) included he calculates a \$39,000 shortfall instead of what originally looked like \$163,000; he believe we can pursue accomplishing everything but the County Rd participation project and be pretty close to the \$870,000 EPA total.

W. Haefele reported that he had allowed 3 months for archeological and biological inspections to take place so that we could start construction on other projects; he is still working on getting recommendations for companies to do this; he got a contact from Fisherman Bay Sewer District. Agate Beach is done; we will need this for the Well Site, the intersection of Barlow and MacKaye Harbor Roads, and the Pump Station site. Jennings suggested contacting OPALCO, Rock Island, and CenturyLink since they have been digging up that corner already; W. Haefele said he would contact the County to see.

#### E. Commissioners Reports

Jennings reported having had a discussion with Arnott about the generators and casings which are coming out of Korea or China, thinking this might be a problem; W. Haefele responded that the casings are ok in terms of Build America Buy America, he will need to find out about the generators.

Jennings also suggested that he would like W. Haefele to have Arnott clean the roof off at the pumphouse, clean the tank and get rid of the black mold which might be an issue in an inspection. W. Haefele said Arnott already cleans the tank on a two-year basis, but he will talk to him about it.

#### F. Public Comment

None.

#### G. Commissioners Additions to the Agenda

A. Haefele printed a copy of the resolution that was approved at the last meeting for signature. All commissioners signed.

### UNFINISHED BUSINESS

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

Olson brought up the possibility of funding through the County's PFFAP; A. Haefele said she has still not been able to determine if we are eligible, even after inquiries with the County; they told her to apply and then they would determine if MHWD is eligible. Krumbholz suggested applying for the full \$216,000 for the Agate Beach project; W. Haefele said he didn't believe they have that much funds; A. Haefele confirmed that the funding available is \$484,500 and that 25% of this is allocated to Town of Friday Harbor projects; W. Haefele said we are more likely to get a smaller amount because they like to spread the funds around; he also said we should try to tie our request to reliability and safety if possible.

Instead of applying for funds towards the Agate Beach Project, it was unanimously decided to request funds for the Well #2 replacement and generators & control upgrades for a total falling around \$100,000; A. Haefele and the commissioners agreed to meet the following day 7/22/22 at 1pm at the residence of San Olson to complete the SJC PFFAP application.

A. Haefele recapped the meeting that she and Krumbholz had with O'Connor last week; O'Connor was able to fit a call in but would not be available to meet for the rest of the month of July; she could meet again at beginning of August. On the call, the EPA funding was discussed and Krumbholz explained to O'Connor what we know so far; she said it is ok on USDA end if the loan is counted towards the EPA 20% but we still need to meet all USDA requirements and the project must be a complete project and not just a portion of total EPA project; we do not need bank financing, USDA will pay installments along the way; we should update the USDA application so that it is current and confirm timing with the EPA; in August she can go through the application with us and get it finalized and submitted; she will work with us on trying to get the funds counted for EPA in terms of timing and documentation; she believes the EPA also works in installments. Krumbholz added that we would need bond council but no bank loans.

W. Haefele said that we will need the USDA Regional Engineer's written ok before bidding the project; we can't advertise or bid the project in advance of funding; we can submit the USDA application and get funding approved; then delay if needed to accommodate EPA timeline. Krumbholz added that the EPA is not expecting final guidance until the fall, this means it may not be until September, October or even November before the EPA says we can move forward. MHWD will push to get the project underway this year but it was agreed that it is more important that the project is done within the confines of the funding and if we need to wait until next year in order to qualify, the site will not be at risk.

Krumbholz asked W. Haefele if the Agate Beach Lane project includes making sure everyone is hooked back up to receive water again immediately afterward; W. Haefele confirmed that it is part of the project that the connections will be made complete.

A. Haefele agreed to ensure USDA application is fully updated for O'Connor's review in August.

Krumbholz said he will talk to EPA and try to get clarification about USDA and timing of the project.

### **NEW BUSINESS**

#### **A. Business laptop issues and replacement options**

A. Haefele reported that the business laptop is outdated and slow, the files need to be backed up before it crashes and she recommends a new replacement laptop be purchased, cloud backup and external hard drive. It was unanimously approved that A. Haefele should have authority to select and purchase a new laptop, cloud storage plan, and backup drive. The purchase will need to be purchased through True Bloom Cooperative and reimbursed by the County.

### **ADJOURNMENT**

Olson moved for adjournment; Krumbholz seconded; The meeting was adjourned at 6:49 p.m.

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Commissioner – San Olson

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District Clerk – Alice Haefele