

**MACKAYE HARBOR WATER DISTRICT  
BOARD OF COMMISSIONERS  
MINUTES  
August 15, 2022**

**CALL TO ORDER**

The Board of Commissioners for MacKaye Harbor Water District met on August 15<sup>th</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 Haefele; clerk Alice Haefele; and guest Linda Noreen.

**REGULAR BUSINESS**

**A. Approval of July 8 & July 21 Minutes**

Olson moved, Krumbholz seconded to approve the July 8<sup>th</sup> special meeting minutes with no additions. Krumbholz moved, Jennings seconded to approve the July 21<sup>st</sup> meeting minutes with no additions.

**B. Approval of Vouchers and Payroll**

A. Haefele distributed the claims payment request form and the payroll form.

Payroll was approved unanimously in the amount of \$1,088.00.

The claim documents were reviewed and no objections were noted; Olson moved; Jennings seconded; the claim voucher was approved in the amount of \$6,555.19.

**C. Financial Report**

A. Haefele distributed the general fund report; she reported that she had received the check from the customer who had previously had difficulty with legibility and it deposited fine; this month she had deposited \$21,785.66 in water billings and \$1048.44 in standby fees; with investment interest estimated at \$32.00 the total revenue came to \$22,866.10; the total revenue for the year came to \$55,171.24 with outstanding billings in the amount of \$8,150.81.

Olson asked where Cosgrove comes in on supervision of these billings; A. Haefele responded that it will be the same as for the January billings; Cosgrove will review everything once all payments are received and then send a report to the Commissioners.

A. Haefele noted several items on the claim form that she wanted to point out: annual license fee for the trailer; easement recordings that were on W. Haefele's invoice; auditor service invoices from San Juan County for two business quarters. The total expenditures for the month came to \$7,730.06 leaving the cash balance at \$25,273.45; there is still \$25,000 in investment pool.

A. Haefele said she had inquired about how to get a credit card for MHWD; Amy Cadwell with SJC said that other Districts on Lopez have credit cards through Banner Bank; credit card payments can be submitted on the normal claim forms with a specific BARS code. Olson asked if MHWD uses Banner Bank; A. Haefele clarified that San Juan County banks with Banner Bank and therefor this is where MHWD deposits funds. It was unanimously agreed that getting a credit card through Banner Bank would be the best and smoothest option since there is precedence with other Districts.

A. Haefele brought up that she had forwarded the email from Cosgrove about the Fisherman Bay Water District rate changes and asked if it needed to be discussed; W. Haefele said that their main stated reason for the rate changes were because they had previously failed to save reserves; he said that he knows based on previous inquiry that money can pile up quickly when there is a dedicated surcharge and it is possible to have a sufficient safety net within 5–10 years; he believes every district should take this approach. Krumbholz said it would be good to have this discussion once we are through our current funding process and we have a better idea of what our capital expenditures will be.

A. Haefele asked if the CCR Report was approved to be sent out to the membership; the commissioners decided unanimously that it was ok to send.

Jennings ask about the status of purchasing a new computer for MHWD; A. Haefele responded that she has not done so yet, but that she did back up the company files on an external hard drive; she hopes to get a credit card to use for the purchase instead of fronting the funds through True Bloom.

#### D. Manager's Report

W. Haefele said that he updated the website with the minutes and the agendas; had the easements recorded and posted everything back to the property owners; and that earlier in the month A. Haefele had found out from O'Connor that USDA requires a copy of our agreement with OPALCO in order to fund the project; we do not have this yet; he said he had sent the agreement to Dan Veckved at least 6 months ago and Veckved had sent it on to OPALCO's lawyers but there has been no communication after that. W. Haefele said that he emailed Veckved last Friday that we need it ASAP and he got a read receipt.

W. Haefele said that no other partner agreements will be needed from other entities; he had approached CenturyLink previously and they gave a definitive no; he approached RockIsland and they never officially responded. Krumbholz mentioned that in his personal communications with RockIsland he discovered that they have the project listed as pending on their service map; W. Haefele said maybe they managed to participate through OPALCO instead of us; he agreed to call Veckved to check.

W. Haefele further reported that he had talked to Stanley Arnott to find out what has been happening with the system; Arnott said it was an eventless month and all is running smoothly; he investigated the well field and found that both check valves on Well #1 had failed; he replaced the one he could get to easily; the other is at the bottom of the well and he would have to pull the pump to replace it; if the one valve being changed helps he will put a second valve up above rather than changing the second one. Jennings noted that Stanley had told him a few weeks ago that Alistair had identified a pump that was continuing to run and they were planning to fix it.

A. Haefele asked about Jennings' request from last meeting about washing the tank and roof at the wellhouse, W. Haefele said he had not asked but he will do it.

W. Haefele said he had created an advertisement requesting SOQs for the Consultant Roster to be submitted to Newspapers; A. Haefele will submit; she provided a copy of the advert as well as one for the small works roster. He said he also purchased EJCDC documents and he wants to know if there has been further discourse with EPA on how far in advance of the funding, we can start incurring engineering charges; Krumbholz responded that it is on a request basis with out official contact, now confirmed as Matt Martinson. Olson asked if anyone attended the EPA webinar; A. Haefele confirmed she and Krumbholz had both attended and she handed out paper copies of the webinar slides.

W. Haefele brought up that he had spoken with someone from the Cattle Point District and found that the environmental and archeological consultant that they used was James, which is the same group that has been working this area; Fish Bay Sewer District's experience with them was that they inflate what they needed to do on projects; because of this they decided to drop the project until an environmental problem comes up that will allow them to go in and do what they want to do; W. Haefele suggests waiting to see what SOQs are received from the advertisement and hopefully there will be a better option.

Krumbholz said he had spoken with Matt Martinson last week and asked him if we could start the review process, which is a pre-review from an environmental standpoint. The seminar indicated that environmental needed to be completed even before we made the application because they want to know if the project qualifies or not. Martinson said this isn't consistent with what he had heard and we don't need to be doing anything in advance prior to the final guidance in the fall.

E. Commissioners Reports

None

F. Public Comment

Noreen handed a check to A. Haefele for the July water bill; she asked about the due date and postmark; A. Haefele responded that the policy from Cosgrove has been to wait several weeks after the 30 days before sending out late fees.

Olson asked Noreen how the public would feel about electronic billings; Noreen responded that she prefers paper. A. Haefele commented that currently electronic payments are not possible because of working through the County and it must be paper checks.

G. Commissioners Additions to the Agenda

None

UNFINISHED BUSINESS

A. Financing for Agate Beach Lane Project:

Olson noted that W. Haefele would inquire again with RockIsland to confirm about the Agate Beach project; A. Haefele said she has not heard anything back yet about the PFFAP application.

Krumbholz said that he had redone the sources and uses of expected funds and he passed out paper copies of his calculations; he noted that he had excluded the line for the new road project and said that if we just do the main four projects the numbers look like they work out well. Based on the EPA's method of calculating, EPA will fund \$789,000, which leaves us with \$195,000 to come up with as our share, we can use OPALCO and USDA funds towards this; our USDA request is currently for \$216,000 and therefore gives us a buffer of \$21,000.

A. Haefele asked if the commissioners intended to explore the less expensive options for the pressurization system that W. Haefele had proposed in the prior meeting, or was there agreement that the project should be completed with the more expensive, but technically most correct, plan? Krumbholz confirmed that it would be best to stick with the best identified plan even though it is more expensive.

W. Haefele stated that the nature of the project is such that he will have to submit a project report to DOH in order to proceed and they will want to know what other options were looked at; because of this he will have to develop alternatives that are less costly and then we will have to explain the rationale for choosing the most expensive option; the decision may change once all the options are on the table.

Krumbholz said we still need to make sure that we spend the required amount to meet the 20% of EPA funds; any extra money we get we can use to pay it down but the amortization won't change.

Olson suggested having a meeting for discussing the kind of controls we need; W. Haefele said it should be a workshop or informal round table sometime in September after the 11<sup>th</sup>.

Krumbholz asked A. Haefele if she has any further update on USDA; she answered that O'Connor had sent the latest engineering documents off for approval and that she is willing to go through the application with us because we definitely need the OPALCO agreement before moving forward.

Krumbholz said he talked further with Matt Martinson and they are still working on hiring the staff needed to process all of the applications and distribute the funds; it will be a while longer before they are able to give final guidance and be prepared to process our application.


### NEW BUSINESS

#### A. Washington 811 Water & Sewer Ballot

A. Haefele said she would vote on the commissioner's behalf if they decide to do so. Krumbholz said he isn't sure what decision needs to be made since there is only one candidate; no bio or information provided about the candidate; the decision is to either abstain or decide to vote for this individual; it was unanimously decided to postpone the decision until the next meeting after an effort to obtain further information about the candidate has been made.

### ADJOURNMENT

Olson declared the meeting adjourned at 6:49 p.m.

A handwritten signature in blue ink, appearing to read "San Olson", written over a horizontal line.

Commissioner – San Olson

A handwritten signature in blue ink, appearing to read "Alice Haefele", written over a horizontal line.

District Clerk – Alice Haefele