

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING**

District Office

772 Chesapeake Dr., Shelton, WA 98584

January 14, 2016 1:00 P.M.

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
 - FROM: WA State Auditor's Office RE: District's Accountability Audit Report
 - FROM: WA Dept. of Health RE: Section 106 Process for Water Treatment Project
5. Present Agenda
6. Minutes

REPORTS:

7. Commissioner Reports
8. Financial/Administrative Report:
 - Bills to Be Authorized:
 - Early Voucher 2016-01
 - Voucher 2016-02
9. Manager's Report

BUSINESS:

10. Commissioner 1 Applicant Interviews
11. Executive Session for the purpose of evaluating the qualifications of candidates for appointment to elective office, RCW 42.30.110 section 1(h)
12. Commissioner 1 Appointment and Certification
13. 2016 Officers and Meeting Dates
14. 621 E Pointes Drive West Payment Plan Proposal
15. Resolution 2016-01 Adopting a 2016 District Fee Schedule
16. Dept. of Natural Resources Easement
17. RH2 Water Treatment Plant Improvements Contract Amendment No. 4
18. RH2 WWTF Disinfection System Upgrades Engineering Report Contract
19. Broadband Environmental Wastewater Certification

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
December 10, 2015
District Office 772 Chesapeake Dr., Shelton, WA 98584**

MINUTES

PRESENT: President R. Ray, Secretary M.A. Cary, Accounting and Administrative Services Manager (AAS) M. Carnahan, General Manager (GM) M. Jeffreys.

CALL TO ORDER: The meeting was called to order at 1:00 pm.

SUBSCRIBER REMARKS: Commissioner-Elect David McNabb and Jim Anderson present. Commissioner-Elect McNabb presented an article on uranium water contamination.

CORRESPONDENCE:

- FROM: Jeri Robinson RE: Commissioner Appointment Letter of Interest and Resume
- FROM: WASWD RE: 2016 Commissioner Workshop venue change. Commissioners directed the AAS to register three commissioners for the workshop and make room reservations for three commissioners.
- FROM: Gray & Osborne RE: Statement of Qualifications
- FROM: RH2 Engineering RE: Statement of Qualifications

PRESENT AGENDA: AAS requested the addition of Newsletter Topics under Business. *Commissioner Cary moved to adopt the agenda with the requested addition. President Ray seconded. Hearing no objections, the agenda was adopted as amended.*

MINUTES: The minutes for the November 12, 2015 regular meeting were presented. *Commissioner Cary moved to approve the minutes as presented. President Ray seconded. Hearing no objections, the minutes were approved.*

REPORTS:

Commissioner Reports: No reports were presented.

Financial/Administrative Report:

- Bills to Be Authorized:
 - Early Voucher 2015-29, in the amount of \$26,734.78, was presented. *President Ray moved to approve the voucher. Commissioner Cary seconded. Hearing no objections the voucher was approved.*
 - Voucher 2015-30, in the amount of \$1,613.26, was presented. *President Ray moved to approve the voucher. Commissioner Cary seconded. Hearing no objections, the voucher was approved.*
- Accountability Audit: The auditor will be here beginning December 14th. The entrance conference has been scheduled for December 16th at 12:00 pm. Both Commissioners Cary and Ray will attend, requiring a special meeting to be called to comply with the Open Public Meetings Act. *Commissioner Cary moved to have a special meeting on*

Wednesday, December 16, 2015 at 12:00 pm at the District Office for the Accountability Audit Conference. President Ray seconded. Hearing no objections, the motion passed.

Manager's Report: A written report was presented (attached).

Meeting was recessed at 2:45 pm. Meeting reconvened at 2:55 pm.

BUSINESS:

Sewer Repair at 748/750 Promontory: Root intrusion caused backups in the sewer line within the easement on 750 E Promontory Rd. The homeowners paid for the repair work, including approximately two feet within their garage. They are requesting reimbursement since the line is within the District easement. There is further root intrusion in portions of the line which have not been replaced and still lie within the easement and beyond, which the District will need to address. Commissioners directed the manager to restore the site of the repairs to usable condition as soon as possible. Homeowners will ask the contractor for a breakout of the cost of the repair work within the easement versus the repair work within their garage. Commissioners directed the GM to consult with the District's attorney to determine the District's rights and responsibilities regarding its easements.

Letter to Owners of 413 E Pointes Drive East Re: Sewer Repair Reimbursement: Presented. *Commissioner Cary moved to approve the letter. President Ray seconded. Hearing no objections, the letter was approved.*

Letter to Owners of 621 E Pointes Drive West Re: Payment Plan: The original letter was returned by the post office after the original payment plan proposal deadline. The commissioners directed the AAS to resend the letter extending the proposal deadline to January 7, 2016. Commissioners will accept or counter proposal at the January 14, 2016 regular meeting.

Final Bill, Refunds, and New Account Setup Procedures: *Commissioner Cary moved to table until the next regular meeting. President Ray seconded. Hearing no objections, the item was tabled.*

Jeffreys Management Services Contract Amendment: Presented. *Commissioner Cary moved to approve the Jeffreys Management Services Contract Amendment No. 3. President Ray seconded. Hearing no objections the contract amendment was approved.*

Broadband Environmental Service Contract Amendment: Presented. *Commissioner Cary moved to approve the Broadband Environmental Service Contract Amendment No. 3. President Ray seconded. Hearing no objections the contract amendment was approved.*

Rate Increase Postcard: The Shopper submitted to the District a design proof and proposal for printing and mailing of the rate increase postcards. *Commissioner Cary moved to accept The Shopper's proposal of \$232.14 for the rate increase postcard at the Standard Postage Rate. President Ray seconded. Hearing no objections, the proposal was accepted.*

Olympic Tax & Business Consulting Proposal: *Commissioner Cary moved to table until the next regular meeting. President Ray seconded. Hearing no objections, the item was tabled.*

Newsletter Topics:

- Rate Increase
- 2016 Budget Approved
- David McNabb Elected Commissioner 2; Commissioner Mary Alice Cary term ended

Meeting adjourned at 4:15 pm.

Respectfully Submitted By:

Signature

Printed Name and Title

Approved at the Regular Meeting of the Board on: _____

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
December 16, 2015
District Office 772 Chesapeake Dr., Shelton, WA 98584**

MINUTES

PRESENT: President R. Ray, Secretary M.A. Cary, Accounting and Administrative Services Manager (AAS) M. Carnahan, General Manager (GM) M. Jeffreys, Assistant Audit Manager Zac Wilson, Audit Lead Renata Sorna.

CALL TO ORDER: The meeting was called to order at 12:00 pm.

BUSINESS:

Accountability Audit Entrance Conference: Audit Lead, Renata Sorna, presented a handout for the entrance conference and provided an overview of the areas to be evaluated during the audit. Also presented was the Audit Engagement Letter for the commissioners and management to review and sign. Ms. Sorna also gave a brief explanation of the levels of reporting that may be included in the audit report, confidential information, the estimated audit costs, expected communications, audit issue process, customer service survey, and emerging issues.

The meeting was adjourned at 12:45 pm.

Respectfully Submitted By:

Signature

Printed Name and Title

Approved at the Regular Meeting of the Board on: _____

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
December 23, 2015
District Office 772 Chesapeake Dr., Shelton, WA 98584**

MINUTES

PRESENT: President R. Ray, Secretary M.A. Cary, Accounting and Administrative Services Manager (AAS) M. Carnahan, General Manager (GM) M. Jeffreys, Assistant Audit Manager Zac Wilson, Audit Lead Renata Sorna.

CALL TO ORDER: The meeting was called to order at 3:00 pm.

BUSINESS:

Accountability Audit Exit Conference: Audit Lead, Renata Sorna, presented a draft copy of the Audit Report. She commented that the District's Accounting and Administrative Services Manager, Miceal Carnahan, was very helpful during the audit and that all documents were well organized and easily accessed.

The Audit Lead presented the results of the audit in brief. The District complied with all areas of the accountability audit for FY2013 through FY2014. The areas examined during this audit period were financial condition, utility billing/receipting, 3rd party cash receipting, procurement/bid law, and contracted services.

The auditor had two recommendations for the District which are not included in the Audit Report. The auditor's office recommended guideline for debt ratio is 12% or less. The District Debt ratio in FY2013 was 12.2% and 14.5% in FY2014. The estimated debt ratio for FY2016 will increase to 20.2%. The auditor recommended the District evaluate the effect of acquiring more debt on the financial condition of the district before obtaining additional debt.

The auditor also recommended the District ensure all contractors awarded public works contracts are not disqualified from bidding, and to document the District's examination of a contractor's qualifications.

The total audit costs will be approximately \$6,500. The District's next scheduled accountability audit will be in the fall of 2017, estimated to cost approximately \$7,000 plus travel expenses.

The commissioners expressed their appreciation for the fine work the staff has done for the District in preparation for, and during, the audit.

The meeting was adjourned at 3:45 pm.

Respectfully Submitted By:

Signature

Printed Name and Title

Approved at the Regular Meeting of the Board on: _____

November 13, 2015

Dana Chynoweth
621 E Pointes Drive West
Shelton, WA 98584

Mrs. Chynoweth:

The General Manager, Mont Jeffreys, informed the Board of Commissioners of the Agreement for Payment of Past Due Water/Sewer Account reached between you and the General Manager for service address 621 E Pointes Drive West. This agreement allows for the water service to be resumed at the service address without the establishment of a payment arrangement for the past due amount of \$6,680.80. Furthermore, the agreement stipulates that the District will suspend charges of late payment penalties despite the absence of a payment arrangement for the past due balance.

Upon inspection of the above referenced agreement and the District's resolutions adopted by the Board of Commissioners, it appears that this agreement is in violation of District Resolution 2015-06 which, in Section 4c states, "If it becomes necessary to discontinue service, all overdue account balances, including late fees, shut-off notice fee, and the service turn-on fee, must be paid in full or through payment arrangements before service is restored." In order for the District to legally restore water service to 621 E Pointes Drive West and to suspend further late fees a written payment arrangement for the past due amount owing must be established.

Because the Board understands that water service has already been resumed at the property and that you are currently residing at the service address, the Board of Commissioners has agreed to grant you until December 1, 2015 to propose a payment arrangement for the past due amount owing. Enclosed is a Past Due Account Payment Agreement Form which stipulates the terms of an acceptable agreement. Please submit your proposal on the form provided. If a proposal is not received by the Board of Commissioners by December 1, 2015 water service will be discontinued and the property will continue to be assessed late fees on the past due balance per Resolution 2015-10.

The Board of Commissioners will review your proposal and will accept or counter the proposal no later than December 10, 2015. If a mutually agreed upon payment arrangement cannot be reached between you and the Board of Commissioners by December 31, 2015 water service will be discontinued and the property will continue to be assessed late fees on the past due balance per Resolution 2015-10.

Sincerely,

Hartstene Pointe Water-Sewer District Board of Commissioners

December 14, 2015

Dana Chynoweth
621 E Pointes Drive West
Shelton, WA 98584

Mrs. Chynoweth:

The enclosed letter was mailed on November 17, 2015 and returned to the District as undeliverable on December 7, 2015. Please review the enclosed letter from the Board of Commissioners which contains important information about the water/sewer account for 621 E Pointes Drive West.

Because the original letter was not delivered by the post office, the Commissioners have extended the deadline for your payment plan proposal to January 7, 2016 and will counter or accept your proposal at the January 14, 2016 regular meeting of the Board of Commissioners.

Sincerely,

Hartstene Pointe Water-Sewer District

Enclosure



Miceal Carnahan <micealcarnahan@gmail.com>

RE: Past Due Issue

Dana Chynoweth <DChynoweth@kwacares.org>
To: Miceal Carnahan <acct@hpwatersewer.com>

Wed, Jan 6, 2016 at 12:32 PM

Hello,

I have misplaced the letter you sent me regarding the outstanding balance. I am very unhappy that I am being named for this past due as I stated I would be taking over the 621 address as a new client. This should not include any past bill to me.

We are aware of the lien placed on the 621 property and if sold, full payment would be made at that time. However, for the meantime, I will commit to an additional \$30.00 per month to be towards the existing outstanding bill.

Keith says he had several conversations with Mont over a year ago discussing that he wanted the account closed. At first was told that would not be a problem but then later was sent a letter stating he would have to disconnect the water line. This does seem legal to me – can you please send a copy of that verbiage in our agreement?? I was never given that for either of my properties either.

So to reiterate, I will agree to the extra \$30.00 per month but that is all I can afford as we are primarily are living off of my income which presently requires me to maintain two jobs.

Thanks,

Dana Chynoweth

Past Due Account Payment Agreement Form

Service Address: 621 E Pointes Dr. West, Shelton WA 98584 PAST DUE AMOUNT:
\$6,680.80

I (the undersigned) Dana Chynoweth hereby acknowledge and agree to the following:
I agree to pay for water and sewer service for the above-referenced service address as follows:

- The monthly water and sewer service rates billed bi-monthly, plus
- A bi-monthly partial payment on the past due amount owing in the amount of: \$60.00

The monthly water and sewer bill for service at the above-referenced service address, as well as my payment on the past due balance, will be paid via credit/debit card automatic payment on the 15th day of the month following the billing date. I agree to keep the credit/debit card on file current with the District for automatic payment.

I understand the following procedures shall govern the allocation of this payment plan:

- Payment will first be applied to the current water/sewer bill
- The remaining payment amount will be applied to the past due amount owing in the following order:
 1. Late or miscellaneous fees on the account
 2. Sewer fees
 3. Water fees

I understand the existing lien on the above-referenced property will remain in effect and will be paid in full at the time of sale. I understand the District will allow water service to resume at the above-referenced service address and will suspend late fees as long as payments are made in accordance with this agreement. I understand if payment in accordance with the terms of this arrangement is not made this agreement is nullified and the District will discontinue service and resume charging late fees per District Resolution 2015-10.

By signing this agreement and allowing partial payments to be made on the past due balance for the above-referenced service address, the Hartstene Pointe Water Sewer District does not waive its right to collect payment in full at any time.

Dana Chynoweth Date

Roger Ray Date
Commissioner, Hartstene Pointe Water-Sewer District Board of Commissioners

David McNabb Date
Commissioner, Hartstene Pointe Water-Sewer District Board of Commissioners

**HARTSTENE POINTE WATER-SEWER DISTRICT
MASON COUNTY, WASHINGTON**

RESOLUTION 2016-01

**A RESOLUTION OF THE
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS
ADOPTING A DISTRICT FEE SCHEDULE FOR 2016**

WHEREAS, Hartstene Pointe Water-Sewer District is a special purpose district, governed by Title 57 of the Revised Code of Washington; and

WHEREAS, RCW 57.08 authorizes the commissioners of any district to provide for revenues by fixing rates and charges for furnishing sewer and drainage service and facilities to those to whom service is available or for providing water, such rates and charges to be fixed as deemed necessary by the commissioners; and

WHEREAS, Resolution 2015-11 adopting a District fee schedule for 2016 misstated the effective date of the new rate schedule; now,

THEREFORE, The Board of Commissioners of the Hartstene Pointe Water-Sewer District hereby resolves:

1. As of January 1, 2016, to repeal Resolutions 2015-05, 2015-08, and 2015-11.
2. As of January 1, 2016, fees will be charged according to the following schedule, which shall supersede any previously adopted fee schedule.

Water Fees

Residential water connection monthly fee	\$59.00
Non-Residential water connection monthly fee	\$59.00
Prepaid Connection Lot/Connected Lot water monthly fee	\$25.00
Water Capital Facilities Charge	\$1,700.00
Meter Installation Connection Fee	\$550.00
Pre-Installed Meter Connection Fee	\$250.00

Sewer Fees

Residential sewer connection monthly fee	\$49.00
Non-Residential sewer connection monthly fee	\$49.00
Prepaid Connection Lot/Connected Lot sewer monthly fee	\$20.00
Sewer Capital Facilities Charge	\$2,400.00
Sewer Connection Fee	\$250.00

Miscellaneous Fees

Water/Sewer System Tampering	\$500.00
Billing Late Fee	10%
Returned Checks and eChecks	\$40.00
Certified Mail Fee	\$10.00
Water Shut-off Notice	\$20.00
Water Turn-on for delinquent accounts	\$40.00
Water Turn-on for delinquent accounts after hours	\$180.00
Meter Testing (if meter is not faulty)	\$22.50
Hydrant Meter Damage Deposit	\$1,000
Hydrant Meter Rental (per week)	\$25.00
Unauthorized Use/Tampering, Minimal Impact to Public Health (Examples include cutting District locks, damaging meters, unauthorized taking of water, etc.)	\$500.00 plus cost of repair
Unauthorized Use/Tampering, Potential Impact to Public Health (Examples include creating a backflow that violates the cross connection program, injecting any unauthorized substance into the water system, vandalism of any pump, well, or tank, etc.)	\$1,000.00 plus cost of repair
Lien Fee	\$194.00
New Account Fee	\$20.00
Escrow Fee	\$25.00
Copies (black and white)	\$0.15 each
Records on disk	\$0.40 each
Damage to Water/Sewer System or District Equipment*	Time and Materials (\$100 min.)

*In the event of damage to the water or sewer system due to construction without a locate request, tampering, misuse, or negligence will be repaired by a District contractor and billed to the responsible property owner.

ADOPTED by the District Board of Commissioners at its scheduled meeting on this _____ day of _____, 2016.

Hartstene Pointe Water-Sewer District
Mason County, Washington