

**HARTSTONE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
August 10, 2017 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence:
 - FROM: Washington State Public Works Board RE: Drinking Water State Revolving Fund (DWSRF) Loan suspended (pgs. 2)
5. Present Agenda
6. Minutes (pgs. 3-4)

REPORTS:

7. Commissioner Reports
8. Emergency Preparedness Report
9. Financial/Administrative Report:
 - Bills to Be Authorized:
 - Early Voucher 2017-21, in the amount of \$12,485.04
 - Voucher 2017-22
10. Manager's Report

BUSINESS:

11. Water Treatment Plant Improvements Project, DWSRF Loan Status (pgs. 5-6)
12. FloHawks/Northwest Cascade Biosolids Hauling Proposal/Agreement
13. Labor Day Water Treatment Facility Open House
14. Smoke Testing
15. HPMA Security House, District Office (pg. 7)
16. Newsletter Topics
17. Board Tour of Water Treatment Facilities



Washington State
Public Works Board

1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

RECEIVED AUG 04 2017

July 21, 2017

TO: Mr. Mont Jeffreys
Hartstene Pointe Water-Sewer District

FROM: Cecilia Gardener, Executive Director

RE: Contract Number DM12-952-126 - Water Treatment Plant Improvements

**IMPLEMENTATION OF SECTION 1.9 FUNDING SUSPENSION DUE TO THE LACK OF A
2017-19 CAPITAL BUDGET**

Dear Mr. Jeffreys

Unfortunately, the Public Works Board and the Department of Health has been put in the position of needing to suspend your drinking water state revolving fund (DWSRF) loan due to lack of funding after the legislature recessed without passing a 2017-19 capital budget.

This memo shall serve as *OFFICIAL NOTICE* to Hartstene Pointe Water-Sewer District, that, in accordance with the terms of your loan contract, NUMBER DM12-952-126, beginning July 21, 2017, your contract is suspended and the Public Works Board is suspending all payment for all work done on or after July 1, 2017, under the Contract.

This suspension notice will be rescinded in the event that a Capital Budget is enacted. *You will be contacted in writing once funding becomes available.*

Hartstene Pointe Water-Sewer District shall immediately suspend all work funded under the Contract, and take all reasonable steps necessary to minimize the cost of performance directly attributed to this suspension. We regret the necessity to suspend funding.

Please contact Connie Rivera at 360-725-3008 or connie.rivera@commerce.wa.gov with any questions.

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**HARTSTONE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
July 27, 2017
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

PRESENT: Secretary A. Hospador, Commissioner D. McNabb, Accounting and Administrative Services Manager (AAS) M. Carnahan, General Manager (GM) M. Jeffreys.

CALL TO ORDER: The meeting was called to order at 1:04 pm.

SUBSCRIBER REMARKS: No subscribers present.

CORRESPONDENCE:

- FROM: Dept. of Ecology RE: June 29, 2017 WWTP Inspection Report

PRESENT AGENDA: The agenda for the July 27, 2017 regular meeting was presented. *Commissioner Hospador moved to adopt the agenda as presented. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the agenda was adopted.*

MINUTES: The minutes of the July 13, 2017 regular meeting were presented. *Commissioner Hospador moved to approve the minutes as presented. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the minutes were approved.*

REPORTS:

Commissioner Reports:

- Commissioner Hospador presented an article regarding the failing sewer lines in Carbonado, WA.
- Commissioner McNabb presented an article regarding West Pointe Treatment Plant in Seattle.

Emergency Preparedness Report: Commissioner Hospador has registered for an upcoming 20 hour Community Emergency Response Team (CERT) training, spanning two weekends in August.

Financial/Administrative Report:

- Bills to Be Authorized:
 - Voucher 2017-20, in the amount of \$5,087.66, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the voucher was approved.*
 - Voucher CP 50, in the amount of \$141,092.21, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the voucher was approved.*

- Monthly Financial Report, June 2017: Presented and reviewed. *Commissioner Hospador moved to approve the monthly financial report for June 2017. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the motion passed.*
- Quarterly Financial Report, 2017 2nd Quarter: Presented and reviewed. *Commissioner Hospador moved to approve the quarterly financial report. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the motion passed.*

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

BUSINESS:

Declare Assets as Surplus: The following capital assets are non-working and need to be disposed of/recycled. GM requested the Board declare the following assets as surplus:

- Asset #20XX-01, Sample Incubator
- Asset #20XX-02, Sample Refrigerator
- Asset #20XX-03, Composite Sampler

Commissioner Hospador moved to declare the requested assets as surplus. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the motion passed.

Water Treatment Plant Improvements Project Funding Status: The Washington State Legislature failed to pass a 2017-2019 capital budget before their third special session was adjourned on July 20th. The District’s Drinking Water State Revolving Fund (DWSRF) loan is funded through the capital budget. The DWSRF loan is paying for the Water Treatment Plant Improvements project, and the Department of Commerce cannot process loan reimbursement requests until a capital budget is passed, which may be as late as 2018. The District has not yet received official word or instructions from the Department of Commerce on how to proceed. AAS presented a breakdown of the remaining project costs and the District’s available funds should the District need to fund the project in the interim.

HPMA Security House, District Office: AAS presented potential cost scenarios. Commissioner Hospador presented a rough layout he prepared of the Security House.

Commissioner McNabb moved to adjourn the meeting. Commissioner Hospador seconded. Hearing no objections, the meeting was adjourned at 2:20 pm.

Respectfully Submitted By:

Andrew Hospador, Secretary

Approved at the Regular Meeting of the Board on: _____

MEMORANDUM

TO: BOARD OF COMMISSIONERS
FROM: MICEAL CARNAHAN, ACCOUNTING AND ADMINISTRATIVE SERVICES MANAGER
SUBJECT: WATER TREATMENT PLANT IMPROVEMENTS PROJECT, DWSRF LOAN STATUS
DATE: AUGUST 8, 2017
CC: MONT JEFFREYS, GENERAL MANAGER

The Public Works Board sent official notice to the District that, beginning July 21, 2017, the District's Drinking Water State Revolving Fund (DWSRF) loan contract is suspended and the Public Works Board is suspending all payment for all work done on our Water Treatment Project on or after July 1, 2017. This suspension will be rescinded once the State Capital Budget is passed and enacted. There are no special sessions currently scheduled for the legislature, therefore it is possible there will be no capital budget passed until after the legislature comes back into session in 2018.

The majority of the work on the District's Water Treatment Plant Improvements project has been completed. The District has already incurred project costs for the months of July and August, and there are only a few more minor items which need to be completed in order to close out the project. Contractually we are required to pay our contractor within 30 days of receipt of an approved pay application.

I spoke to Connie Rivera at the Department of Commerce, and she indicated that, while they cannot release payment for costs incurred on or after July 1st, we can still go through the process of closing out the project, as long as the District is willing and able to cover the remaining project costs in the interim. The estimated remaining project costs to be paid to the contractor and engineer total \$218,025.

I recommend the District proceed with completion and closeout of the Water Treatment Plant Improvements project and pay the remaining project costs out of the District's existing funds. I also recommend the Board authorize the transfer of a maximum of \$59,000 from the Risk Management Fund and \$88,000 from the Capital Improvement Fund: Reservoir Repair to the Capital Project Account for payment of the remaining Water Treatment Plant Improvements project costs, with the understanding that once the DWSRF loan suspension has been rescinded and reimbursement under the loan has been made to the District, these amounts will be returned to the Risk Management Fund and Capital Improvement Fund.

Hartstene Pointe Water-Sewer District

Water Treatment Plant Improvements Project

Remaining Project Costs:

2KG Contractors	203,550
RH2 Engineering	14,475
Total Remaining Project Costs:	\$ 218,025

District Non-Reserved Funds:

	Available Amounts:	Use to Fund WTP Project:	Remaining Funds:
Capital Project Account	70,984	70,984	-
Operating Fund	174,180	41	174,139
Risk Management Fund*	134,000	59,000	75,000
Asset Replacement Fund	12,540	-	12,540
Capital Improvement Fund: I&I Repair	31,540	-	31,540
Capital Improvement Fund: Reservoir Repair	112,500	88,000	24,500
Total Non-Reserved District Funds:	\$ 535,744	\$ 218,025	\$ 317,719

*District Funds Policy requires Risk Management Fund maintain balance equal to 12.5% of annual operating revenues (\$75,000), per requirements set forth in the District's DWSRF Loan contract.

Dated: 08/07/17

Hartstene Pointe Water-Sewer District

Projected Costs to Rent HPMA Security House

Recurring Monthly Costs

Rent	\$ 500	\$ 750	\$ 1,000	\$ 1,300
Average Electric Bill	\$ 150	\$ 150	\$ 150	\$ 150
Total Average Monthly Cost	\$ 650	\$ 900	\$ 1,150	\$ 1,450

Total Additional Annual Cost	\$ 7,800	\$ 10,800	\$ 13,800	\$ 17,400
Per Customer Additional Annual Cost	\$ 17.89	\$ 24.77	\$ 31.65	\$ 39.91
Additional Per Bill Cost	\$ 2.98	\$ 4.13	\$ 5.28	\$ 6.65
Rate Increase Percentage	1.36%	1.88%	2.40%	3.02%

One-time Costs

Office furniture	\$ 500
Staff time to move office	\$ 500
Move Telephone/Internet Service	\$ 150
Total One-time Costs	\$ 1,150

Additional Considerations:

ADA Compliance: pave area in front of office, handicap parking sign, ramp to entrance, door 36" wide, door handle no more than 48" high and operable with closed fist, low-pile carpeting and/or mats

Other necessary repair/maintenance: new flooring throughout, possibly new paint, other?