

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

**District Office**

**772 E Chesapeake Drive, Shelton, WA 98584**

**August 24, 2017 1:00 P.M.**

**AGENDA**

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence:
5. Present Agenda
6. Minutes:
  - August 10, 2017 Regular Meeting
  - August 17, 2017 Special Meeting

**REPORTS:**

7. Commissioner Reports
8. Emergency Preparedness Report
9. Financial/Administrative Report:
  - Bills to Be Authorized: Voucher 2017-23
  - July Financial Report
10. Manager's Report

**BUSINESS:**

11. 2018 Budget Meeting Schedule
12. WASWD Conference, September 27-29 in Wenatchee
13. Reservoir Cleaning
14. Labor Day Open House

**HARTSTENE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING of the BOARD OF COMMISSIONERS  
August 10, 2017  
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

**MINUTES**

**PRESENT:** President M.A. Cary, 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 1:00 pm.

**SUBSCRIBER REMARKS:** Robert Scarola present.

**CORRESPONDENCE:**

- FROM: Washington State Public Works Board RE: Drinking Water State Revolving Fund (DWSRF) Loan suspended
- FROM: Bill Ketchum, ATEC Systems Associates RE: Missing payment, forged endorsement

**PRESENT AGENDA:** The agenda for the August 10, 2017 regular meeting was presented. *Commissioner McNabb moved to adopt the agenda as presented. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the agenda was adopted.*

**MINUTES:** The minutes of the July 27, 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 McNabb: presented information regarding asset management.

**Emergency Preparedness Report:** CERT training will be held at the Harstine Island Community Center on August 18th-19th and 25th-26th. Commissioner Hospador plans to attend.

**Financial/Administrative Report:**

- Bills to Be Authorized:
  - Early Voucher 2017-21, in the amount of \$12,485.04, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
  - Voucher 2017-22, in the amount of \$14,591.81, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*

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

*Meeting was recessed at 1:55 pm. Meeting was reconvened at 2:10 pm.*

**BUSINESS:**

**Water Treatment Plant Improvements Project, DWSRF Loan Status:** 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. The estimated remaining project costs to be paid to the contractor and engineer total \$218,025. AAS recommended 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. The AAS 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. *Commissioner Hospador moved to 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 and to pay the remaining Water Treatment Plant Improvements project costs. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

**FloHawks/Northwest Cascade Biosolids Hauling Proposal/Agreement:** GM notified FloHawks/Northwest Cascade that we need to update the District's biosolids hauling agreement if they intend to change the schedule of fees. GM is waiting for a response. Due to the time sensitive nature and the need to haul biosolids as soon as possible, the Board may need to call a special meeting to approve a new agreement.

**Labor Day Water Treatment Facility Open House:** The AAS proposed hosting an open house at the Well 2 treatment facility on Labor Day, Monday, September 4<sup>th</sup>, from 10:00 am to 2:00 pm. *Commissioner McNabb moved to authorize Jeffreys Management Services to hold an open house at the Water Treatment Facility on behalf of the District on Labor Day, September 4th, from 10 am to 2 pm. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

**Smoke Testing:** GM reported on the second round of smoke testing on August 8th. There is still a small section of the system which needs to be tested, which has been scheduled for one day in September. David Carnahan has emailed Department of Ecology to keep them updated on the District's work.

**HPMA Security House, District Office:** AAS presented a chart showing the revenue and expenditure trends since 2011, illustrating the sharp increase in overall expenditures, including operating expenditures. Given the District's need to control operating costs and plan for future capital needs, the GM and AAS recommended the District not pursue rental of HPMA's security

house. *Commissioner McNabb moved to accept the recommendation of the GM and AAS. Commissioner Hospador seconded. Hearing 3 ayes and 0 nays, the motion passed.*

**Newsletter Topics:** Potential topics for the District's September/October 2017 newsletter were discussed.

**Board Tour of Water Treatment Facilities:** The GM led the commissioners and subscriber on a tour of the newly completed water treatment facilities and SCADA system.

*The meeting was adjourned at 4:20 pm.*

Respectfully Submitted By:

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Andrew Hospador, Secretary

Approved at the Regular Meeting of the Board on: \_\_\_\_\_

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**MEMORANDUM**

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**TO:** BOARD OF COMMISSIONERS  
**FROM:** MICEAL CARNAHAN, ACCOUNTING AND ADMINISTRATIVE SERVICES MANAGER  
**SUBJECT:** PROPOSED BUDGET SCHEDULE  
**DATE:** AUGUST 22, 2017  
**CC:** MONT JEFFREYS, GENERAL MANAGER

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Budget season is fast approaching. We briefly discussed a schedule for budget preparation and adoption at the August 10<sup>th</sup> meeting, but we have not officially adopted a final schedule. Here is a proposed schedule for the 2018 Budget:

- Thursday, October 12, 2017 Regular Meeting:
  - Discuss 2017 3<sup>rd</sup> quarter financial report;
  - Discuss five year Capital Improvement Plan and Asset Replacement Plan
- Thursday, October 26, 2017 Regular Meeting: GM and AAS present Preliminary 2018 Budget
- Thursday, November 2, 2017 Special Meeting, 10:00 am: Budget Work Session to prepare Proposed 2018 Budget
- Thursday, November 9, 2017 Regular Meeting:
  - Make final adjustments to Proposed 2017 Budget;
  - Plan Annual Meeting/2018 Budget Hearing
- Saturday, November 11, 2017 Special Meeting, 10:00 am at HPMA Clubhouse: Annual Meeting/2018 Budget Hearing
- Monday, November 20 Special Meeting, 1:00 pm:
  - Review and prepare response to comments/questions received at the Annual Meeting/Budget Hearing;
  - Adopt Final 2017 Budget
- November 30: County's due date for submission of Final 2018 Budget