

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
February 15, 2018 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes (pgs. 2-3)

REPORTS:

7. Commissioner Reports
8. Emergency Preparedness Report
9. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2018-04
 - January 2018 Financial Report (pgs. 4-5)
 - Drinking Water State Revolving Fund Loan Status Update
10. Manager's Report

BUSINESS:

11. Lockbox Service Provider (pg. 6)
12. Reservoir Electrical Contract Award
13. House Bill 2407 Discussion (pgs. 7-8)
14. District Project Priorities Discussion (pgs. 9-11)
15. March/April Newsletter Topics



**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
February 1, 2018
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

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

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

SUBSCRIBER REMARKS: No subscribers present.

CORRESPONDENCE:

- FROM: Department of Ecology RE: District's final National Pollutant Discharge Elimination System Permit granted

PRESENT AGENDA: The agenda for the February 1, 2018 regular meeting was presented. President Scarola requested the addition of Emergency Backup Generator under Business. *President Scarola moved to approve the agenda as amended. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the agenda was approved as amended.*

MINUTES: The minutes of the January 18, 2018 regular meeting were presented. A minor correction was noted. *Commissioner McNabb moved to approve the minutes as corrected. President Scarola seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as corrected.*

REPORTS:

Commissioner Reports:

- Commissioner McNabb reported the American Water Works Association ACE Conference will be held in Las Vegas, NV in June.

Emergency Preparedness Report: HPMa Emergency Preparedness Communications Sub-Committee will be upgrading the HPMa maintenance truck, the HPMa GM's truck, and the HPMa patrol truck to have CB radios. The cost is minimal. The HPMa maintenance building will have a CB and ham radio base station to facilitate communication in the event of an emergency.

Financial/Administrative Report:

- Bills to Be Authorized: Voucher 2018-03, in the amount of \$9,434.29, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
- Drinking Water State Revolving Fund Loan Status Update: The State Capital Budget has been passed and the District's DWSRF loan suspension has been lifted. Department of Commerce has some administrative work they need to complete before releasing funds. The District does not yet have a timeline for when those funds will be released.

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

BUSINESS:

WASWD Commissioner Workshop Recap: The Board discussed the information presented and what they gained from the workshop, including the information on compliance with the Open Public Meetings Act and the Public Records Act.

Meeting was recessed at 2:05 pm. Meeting was reconvened at 2:15 pm.

CB Radio Purchase for Service Truck: It was proposed the District purchase a CB radio for the service truck. The cost for the unit is \$102 plus tax. There would be an additional cost to mount and wire the unit into the truck. The Board agreed. *Commissioner McNabb moved to authorize the purchase and installation of a CB radio in the service truck. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Emergency Plan: Discussion on the Emergency Plan draft was continued from the last meeting. President Scarola and GM will meet further to refine the plan and create a tiered response plan which will be more user-friendly for a lay-person in the event both of the water operators are not available. No action taken. *President Scarola moved to table the discussion. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Emergency Backup Generator: President Scarola located a propane generator which would be of a sufficient size to run Well #1 and each of the lift stations. The cost before tax and installation is \$5,189. *President Scarola moved to direct the GM to begin investigating the purchase and installation of backup generators for the well site and the lift stations. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Meeting was adjourned at 3:05 pm.

Respectfully Submitted By:

Signature

Name and Title

Approved at the Regular Meeting of the Board on: _____

Hartstene Pointe Water Sewer District
Profit & Loss Budget vs. Actual
 January 2018

	<u>Jan 18</u>	<u>(8.3%</u>	<u>Total 2018</u>	<u>\$ Over (Under)</u>	<u>% of Total</u>
	<u>of Year)</u>		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Ordinary Income/Expense					
Income					
Non-Operating Revenue	439.96		177,471.00	-177,031.04	0.25%
Operating Revenue	52,967.77		642,762.00	-589,794.23	8.24%
Total Income	<u>53,407.73</u>		<u>820,233.00</u>	<u>-766,825.27</u>	<u>6.51%</u>
Expense					
534 · Water Expenditures	22,833.74		469,197.91	-446,364.17	4.87%
535 · WW Treatment Expenditures	8,897.72		210,291.40	-201,393.68	4.23%
538 · Combined W/S Expenditures	19,436.13		142,493.00	-123,056.87	13.64%
Total Expense	<u>51,167.59</u>		<u>821,982.31</u>	<u>-770,814.72</u>	<u>6.23%</u>
Net Ordinary Income	<u>2,240.14</u>		<u>-1,749.31</u>	<u>3,989.45</u>	
Net Income	<u>2,240.14</u>		<u>-1,749.31</u>	<u>3,989.45</u>	

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Hartstene Pointe Water Sewer District
 Monthly Financial Report

January 2018

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
Reserve Funds					
030 - Ecology Reserve	38,657.49	-	39.75	38,697.24	39.75
050 - DWSRF Loan Reserve	20,558.31	-	6,867.32	27,425.63	6,867.32
070 - USDA Revenue Bond Reserve	20,770.92	-	348.80	21,119.72	348.80
Total Reserve Funds	79,986.72	-	7,255.87	87,242.59	7,255.87
Unreserved Funds					
EFT Account - Columbia Bank	1,819.52	(33,330.56)	32,892.89	1,381.85	(437.67)
Petty Cash Account	1,567.06	(46.38)	432.94	1,953.62	386.56
Xpress Deposit Account	1,113.72	(13,390.08)	21,143.26	8,866.90	7,753.18
010 - Operating Fund	80,000.00	-	-	80,000.00	-
<i>Operating Investment Fund</i>					
010 - Operating Fund - Other	41,437.47	(59,062.76)	46,528.79	28,903.50	(12,533.97)
Total 010 - Operating Fund	121,437.47	(59,062.76)	46,528.79	108,903.50	(12,533.97)
065 - Capital Project Account	79.17	-	-	79.17	-
Total Unreserved Funds	126,016.94	(105,829.78)	100,997.88	121,185.04	(4,831.90)
Committed Funds					
020 - Water/Sewer Committed Fund	21,540.00	-	-	21,540.00	-
Asset Replacement Fund					
Capital Improvement Fund	49,540.00	-	-	49,540.00	-
<i>I&J Repair</i>					
<i>Reservoir Repair</i>	125,070.27	-	-	125,070.27	-
Total Capital Improvement Fund	174,610.27	-	-	174,610.27	-
Risk Management Fund	76,444.15	-	281.97	76,726.12	281.97
Total 020 - Water/Sewer Committed Fund	272,594.42	-	281.97	272,876.39	281.97
Total Committed Funds	272,594.42	-	281.97	272,876.39	281.97
Total Funds	478,598.08	(105,829.78)	108,535.72	481,304.02	2,705.94


 Acct. & Admin. Services Mgr. Date 2/12/18

I hereby certify that the above statement is true.

Audit Commissioner Date

(5)

Hartstene Pointe Water-Sewer District

Lockbox Service Provider Comparison

	Retail Lockbox: Amended Agreement	Retail Lockbox: Current Agreement (no change)
Xpress Bill Pay	-	-

Lockbox Service Fees:		
Monthly Fees		
Monthly Service Fee	-	440.43
Courier Fees	-	100.00
Document Shredding	-	51.82
PDF Image File	-	98.45
Per Transaction Fees		
Check Processing	0.48	-
Document Scan	-	0.12
Transactions > 100 per month	-	0.41
Average Monthly Cost @ 75 checks/month:	36.00	700.03

Annual Fees		
Annual Compliance Fee	-	420.00
PO Box Fee	275.00	231.00
Average Annual Cost:	\$ 707.00	\$ 9,051.36

Average Annual Savings:	\$ 8,344.36	\$ 3,685.36	\$ -
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Additional Potential Savings:		
Manual input of check payments and upload to online payment system, AAS time reduction	1,170.00	-

Total Estimated Average Annual Savings:	\$ 9,514.36	\$ 3,685.36	\$ -
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Assumes the same volume of checks as current. If check payments decrease, the savings under Xpress will be greater.

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HOUSE BILL 2407

State of Washington

65th Legislature

2018 Regular Session

By Representatives Maycumber, Fey, Orcutt, Kraft, Walsh, Kilduff, Peterson, Reeves, Chapman, Kloba, Dye, Taylor, Kretz, DeBolt, Eslick, Fitzgibbon, Haler, Holy, Stambaugh, Schmick, and Ormsby

Prefiled 01/05/18. Read first time 01/08/18. Referred to Committee on Capital Budget.

1 AN ACT Relating to reporting regarding the use of out-of-state
2 materials for public works projects; and amending RCW 39.04.050.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 39.04.050 and 1986 c 282 s 3 are each amended to
5 read as follows:

6 (1) Original estimates shall show in detail the estimated cost of
7 the work; the estimated quantities of each class of work; the
8 estimated unit cost for each class; the estimated total cost for each
9 class; the time limit, allowed for the completion of the work and the
10 estimated dates of commencement and completion.

11 (2) (a) A public owner or public agency that administers funds for
12 public projects must collect the following data per project:

13 (i) If steel or concrete purchased from out of state is used,
14 where the steel or concrete, or both, was sourced;

15 (ii) A detailed reason why steel or concrete, or both, was
16 purchased from out of state; and

17 (iii) The cost of the steel or concrete, or both.

18 (b) The public owner must report the information in (a) of this
19 subsection to the fiscal committees of the legislature by November
20 30th of each even-numbered year.

1 (c) For purposes of this subsection (2), "public project" means a
2 project using public funds from the state capital budget or state
3 transportation budget that is:
4 (i) Over five thousand square feet;
5 (ii) Financed through a financing contract, as defined in RCW
6 39.94.020; or
7 (iii) A road or bridge project over one million dollars.

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**RECAP OF HARTSTENE POINTE WATER/SEWER DISTRICT
PRIORITY SETTING MEETING ON FEBRUARY 8, 2018**

MONT JEFFRIES, GENERAL MANAGER

MICEAL CARNAHAN ACCOUNTING AND ADMINISTRATIVE SERVICES MANAGER

AND

ROBERT SCAROLA, PRESIDENT, BOARD OF COMMISSIONERS

WHILE ACKNOWLEDGING THAT THE FIRST PRIORITY OF THE WATER/SEWER DISTRICT IS TO RESPOND TO IMMEDIATE SERVICE AND/OR REPAIR NEEDS IN ORDER TO KEEP THE HARTSTENE POINTE WATER/SEWER DISTRICT SYSTEM SERVICES PERFORMING AT THE BEST POSSIBLE LEVEL, WE ALSO HAVE TO BE AS PROACTIVE AS POSSIBLE IN ORDER TO REDUCE THE OCCURANCE OF THOSE SERVICE/REPAIR NEEDS. THIS APPROACH WILL HELP REDUCE THE BURDEN ON OUR CONTRACTORS' TIME AND ENERGY, AND HELP SAVE THE DISTRICT THE COST OF EMERGENCY AFTER HOURS REPOSSES. IT IS AN APPROACH INTENDED TO MINIMIZE THE TIME OUR CONTRACTORS HAVE TO SPEND REACTING TO SERVICE AND REPAIR DEMANDS.

IT IS ALSO AN APPROACH DESIGNED TO BEST MEET THE DEMANDS OF POTENTIAL EMERGENCY SITUATIONS THAT COULD OCCUR HERE AT HARTSTENE POINTE, SUCH AS POWER OUTAGES, ROAD AND/OR BRIDGE CLOSURES, CONTAMINATION OF THE WATER SYSTEM, CRITICAL COMPONENT FAILURES, ETC.

IN AN APPROXIMATE ORDER OF PRIORITY, DEPENDING ON VARIABLES SUCH AS ENGINEERING REQUIREMENTS, AVAILABILITY OF SERVICE PROVIDERS, AVAILABILTY OF EQUIPMENT AND PARTS, PERMITTING, EASEMENTS, ETC., THE PRIORITY LIST FOR THE HARTSTENE POINTE WATER SEWER DISTRICT FOR 2018-19 AT THIS TIME IS AS FOLLOWS:

1. PROVIDE LIST OF BACKUP OPERATORS FOR WATER AND SEWER SERVICES IF JEFFRIES MANAGEMENT STAFF ARE NOT AVAILABLE
2. ANALYSE EXISTING STORE OF BACKUP PARTS FOR CRITICAL SYSTEMS AND PLAN FOR FILLING IN GAPS AS MUCH AS POSSIBLE
3. REPAIR OLD MOBILE GENERATOR TO CARRY US OVER WHILE WE INVESTIGATE OTHER GENERATOR POSSIBILITIES LISTED BELOW
4. RESEARCH AND PURCHASE OR RENT NEW MOBILE GENERATOR FOR WELLS AND LIFT STATIONS UNTIL PERMANENT GENERATORS CAN BE INSTALLED
5. RESEARCH AND INSTALL BACKUP UPS's AT ALL LIFT STATIONS FOR ALERT SYSTEM TO WORK DURING POWER OUTAGES
6. ORGANIZE CODE RED FOR RESPONSIVE USE FOR THE WATER/SEWER DISTRICT AND THE COMMUNITY
7. FINISH WELL 4 BEFORE SUMMER POPULATION INCREASE—NEED BIDS, SCHEDULING, APPROVALS, ETC. BUDGET ALLOCATION MAY NOT BE ENOUGH, AND WE MAY HAVE TO RE-ALLOCATE FUNDS DEPENDING ON SMALL WORKS PROJECT CONTRACTOR BIDS
8. PUT NEW ROOF ON WELL 4 FILTER TREATMENT BUILDING—NEED BIDS AND WORK SCHEDULE
9. RESEARCH AND INSTALL WELL 4 GENERATOR AND PROPANE TANK--- WILL REQUIRE HPMA EASEMENT ON COMMONS TO MEET CODE FOR PLACEMENT AS WELL AS FENCE SCREENING
10. RESEARCH AND INSTALL PROMONTORY LIFT STATION GENERATOR, PROPANE TANK, AND FENCING—WILL REQUIRE HPMA EASEMENT ON COMMONS TO MEET CODE FOR PLACEMENT AS WELL AS FENCE SCREENING
11. RESEARCH AND INSTALL GENERATOR AT RESERVOIR TO SERVE CONTROLLER, PUMP FOR MOVING WATER TO THE TOP OF PROMONTORY, AND FOR THE SHUT OFF VALVE SYSTEM FOR RESERVOIR
12. WELL 2 PUMP REPLACEMENT AFTER WELL 4 IS ONLINE. INVESTIGATE IF WELL 2 IS ADEQUATE TO CONTINUE PROVIDING NEEDED WATER FLOW
13. BERM UP W/S DISTRICT AREA TO PREVENT FLOODING INTRUSION
14. DEVELOP RFP FOR SEISMIC BRACING OF WATER RESERVOIR

15. IMPROVE THE CONDITION OF THE WATER/SEWER SYSTEM BURIED LINES. INVESTIGATE TECHNOLOGIES AVAILABLE TO REDUCE INFLOW AND INFILTRATION (INI) INTO THE SEWER SYSTEM, ESPECIALLY DURING HEAVY RAINS, WITHOUT HAVING TO REPLACE ENTIRE SECTIONS OF THE EXISTING SEWER LINES. CONTINUE MAPPING ALL LINES, AND WORKING ON FINDING AND FIXING WEAK SPOTS AND BREAKS IN WATER LINES, AND BAD CONNECTIONS BETWEEN LATERALS AND MAINS IN THE SEWER SYSTEM. REPLACING LINES IS AN ON-GOING AND POTENTIALLY YEARS LONG PROJECT WITH ASSOCIATED HIGH COSTS INVOLVED. THEREFORE, A PREEMPTIVE FOCUS ON THESE LINES IS CRITICAL IN ORDER TO AVOID SIGNIFICANT PROBLEMS FROM DEVELOPING WITH THE WATER/SEWER SYSTEM.

BREAKS IN THE WATER LINES RESULTS IN RAPID LOSS OF TREATED WATER, RESULTING IN EXCESSIVE WEAR AND TEAR ON WELL PUMPS AND THE WATER FILTRATION SYSTEM. SUCH BREAKS ALSO REQUIRE EVER INCREASING HOURS OF SERVICE TIME FROM OUR WATER OPERATORS AND OUR MANAGEMENT CONTRACTOR. REPLACING COMPONENTS AND EQUIPMENT IN THE WATER TREATMENT SYSTEM IS VERY COSTLY.

EXCESSIVE INI OF THE SEWER SYSTEM PLACES EXCESSIVE WEAR AND TEAR ON THE WASTE WATER TREATMENT PLANT AND REQUIRES EVER INCREASING HOURS OF SERVICE TIME FROM OUR WASTE WATER TREATMENT OPERATORS AND OUR MANAGEMENT CONTRACTOR. REPLACING COMPONENTS AND EQUIPMENT IN THE WASTE WATER TREATMENT PLANT IS VERY COSTLY.

16. PURCHASE AND INSTALL PERMANTENTLY PLACED BACKUP GENERATORS FOR LIFT STATIONS LOCATED AT THE END OF NANTUCKET AND THE BOAT STORAGE AREA. PURCHASE AND INSTALL A PERMANENT BACKUP GENERATOR FOR WELL 2.

17. GOAL FOR NEXT PRIORITY MEETING: CREATE A PROJECT TIMELINE