

HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
October 18, 2018 1:00 P.M.

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes of the October 18, 2018 Regular Meeting (2-4)
7. Minutes of the October 25, 2018 Budget Work Session (5)

REPORTS:

8. Commissioner Reports
9. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2018-21
10. General Manager's Report (b-7)

BUSINESS:

11. Approval of Attorney Contract (8-10)
12. Approval of RH2's New Proposal (11-19)
13. Approval of Updates to 2019 Preliminary Budget
14. Approval of Miceal's Proposed Hours for November 2018 (20)
15. Approval of Salary Increase for General Manager
16. Approval of Funds Policy Update (21-22)

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
October 18, 2018
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

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

CALL TO ORDER: The meeting was called to order at 1:05 pm.

SUBSCRIBER REMARKS: One subscriber present.

CORRESPONDENCE: No Correspondence

PRESENT AGENDA: The agenda for the October 4, 2018 regular meeting was presented. District Clerk requested to add "Voucher CP 57" to Financial/Administrative Report. GM requested to remove item #15, "WWTP Analyzer Installation Invoice Approval." GM requested to add item #15, "Approve RH2's New Proposal." *Commissioner McNabb moved to accept the agenda as amended. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the agenda was adopted.*

MINUTES: The minutes of the October 4, 2018 regular meeting were presented. *Commissioner McNabb moved to approve the minutes as presented. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as presented.*

REPORTS:

Commissioner Reports:

- Commissioner McNabb presented AWWA memorandum, "Update on S. 3021."
- Commissioner Hospador noted a discussion about limiting pharmaceuticals in water and wastewater treatment.

Financial/Administrative Report:

- Bills to Be Authorized:
 - Voucher 2018-20, in the amount of \$20,791.38, 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 CP 57, in the amount of \$41,793.80, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
 - Monthly Financial Report for September 2018 was presented. *Commissioner Hospador moved to approve the report. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*

- Quarterly Financial Report for Quarter 3, 2018 was presented. *Commissioner Hospador moved to approve the report. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*

General Manager's Report: David Carnahan presented his General Manager's Report of present status of the district.

BUSINESS:

Move Location of October 19, 2018 Picnic: As weather forecast looked favorable for October 19, General Manager and Commissioners agreed to move location of district picnic to HPM North Beach picnic area.

Discuss Commissioners' Function and Transaction of District Business: Commissioner Scarola's goal was to refresh his and other commissioners understanding of how the board transacts business in meetings. Commissioners discussed Robert's Rules of Order and how to effectively transact business.

Discuss Level of Service (LoS) Plan: Commissioner McNabb discussed ideas for future Asset Management Plan and presented an example of rating the progress of LoS performance.

President Scarola called for a recess at 2:35 pm. Meeting reconvened at 2:50 pm.

Well #4 Fitting Contract Approval: *Commissioner Hospador moved to approve the Well 4 Fitting Contract with AMNW Construction. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the contract was approved and signed.*

Well #4 Generator Installation Contract Approval: *Commissioner Hospador moved to approve the Well 4 Generator Installation Contract with Sare Electric, Inc. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the contract was approved and signed.*

Approval of RH2's New Proposal: Item was tabled until next meeting.

Jeffrey's Management Service Contract Modification: *Commissioner Hospador moved to terminate contract with Jeffrey's Management Service, effective October 31st, 2018. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the contract is to be terminated.*

Commissioner Hospador moved to accept proposed agreement with Miceal Carnahan for consulting on an hourly basis in areas of accounting and administrative services, effective November 1st, 2018. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay voted, the agreement was approved.

Preliminary Budget Presentation: AAS distributed 2019 Preliminary Budget packets to commissioners and one subscriber.

Commissioner Hospador moved to adjourn the meeting. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 3:30 pm.

Respectfully Submitted By:

Signature

Name and Title

Approved at the Regular Meeting of the Board on: _____

**HARTSTENE POINTE WATER-SEWER DISTRICT
BUDGET WORK SESSION MEETING of the BOARD OF COMMISSIONERS
October 25, 2018
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

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

CALL TO ORDER: The meeting was called to order at 10:00 am.

SUBSCRIBER REMARKS: One subscriber present.

CORRESPONDENCE: No correspondence.

PRESENT AGENDA: No agenda.

COMMISSIONER REPORT: No commissioner reports.

Preliminary Budget: Commissioners discussed the preliminary budget.

Meeting recessed at 11:15 am. Meeting reconvened at 11:35 am.

Meeting recessed at 12:05 pm. Meeting reconvened at 12:35 pm.

Commissioner Scarola moved to adjourn meeting. Commissioner McNabb seconded. Hearing 3 ayes and 0 nays, the meeting adjourned at 2:05 pm.

Respectfully Submitted By:

Signature

Name and Title

Approved at the Regular Meeting of the Board on: _____

HARTSTENE POINTE WATER-SEWER DISTRICT

General Manager's Report

November 1, 2018

Human Resources

Jeff Palmer has been approved to sit for the Water Distribution Manger group 2, Water Treatment Plant Operator group 1 and Cross Connection Control exams. He plans to schedule those as soon as possible. He also just wrapped up a three day exam review class for the group 3 and 4 Wastewater Certification. He's hoping to sit for one of those tests in the next few months.

I have been approved to take the Water Distribution Manger group 2 and the Water Treatment Plant Operator group 2 exams. I will be scheduling those within the next few months.

We still have not heard from the Department of Ecology on whether or not Mont and I have been approved to take our Group 2 Wastewater exams yet.

Joe is really taking off now and is tackling this month's billing on his own.

Water

Average daily usage is hovering around 55,000 gallons which is much less then summer usage. There is a small leak at 607 Barbary that will be repaired this week.

Noah gave me a not to exceed quote of \$1000 to remove two trees up at well 2 that are a hazard to our facilities. I will sit down with Stefan to discuss their removal.

Well 1/4 Replacement

The estimated start date for the construction of Well 4 is November 13th with a target completion Date of December 8th.

Emergency Preparedness

I spoke with Brian from Sare Electric. The generator is back ordered, but it still looks like a late November install will be possible. Once he has a better Idea when he will have the generator in he will give me a call.

Brian from Sare will be out next Tuesday at noon to look at the lift stations and tell us what we'll need to plan on budget wise to wire generators up to them.

Sewer Collection

The rain has arrived!! Which mean that our inflow totals are steadily rising. After the heavy rain over the weekend they jumped up from 30,000 gallons per day to 70,000 gallons per day. The

forecast is calling for even more rain throughout the week which means inflow totals will continue to rise.

Waste Water Treatment

The CL2 analyzer has installed. However, we are having some issue getting Cloud Connect to connect. Dean from Correct Equipment is confident that we can get it up and running. I will have updates in the coming weeks on this.

Jeff had Grundfos come out to look at jet pump number one which was failing to run. We need to do further testing to identify the issue.

Customer Service

We have minor leak at 607 Barbary that we are expecting to have repaired by the end of the week.

General District Business

I'm very excited about our upcoming Budget hearing. I've asked the staff to join us this year so I can introduce everyone to the community. Joe and I will make all of the arrangements and come in early to get things set up.

Submitted by David Carnahan

October 18, 2018

David Carnahan, General Manager
Hartstene Pointe Water-Sewer District
772 E. Chesapeake Dr.
Shelton, WA 98584



RE: *Legal Representation*

Dear Mr. Carnahan:

On behalf of Cascadia Law Group PLLC, I would like to thank you for selecting us to represent Hartstene Pointe Water-Sewer District (the "District"). Our ultimate goal is to give you legal representation that provides value to the District. If at any point in this engagement you have questions about our work on your behalf, do not hesitate to call me directly at (206) 292-2633. Again, thank you for selecting Cascadia Law Group.

The remainder of this letter sets forth the basic terms upon which you have engaged us to represent the District.

1. Scope of Engagement. In general, you have requested that we represent and advise the District as outside counsel on water and sewer matters, and other related matters on behalf of the District, as the need arises.
2. Billing Policies and Procedures. Enclosed is a copy of our firm's Billing Policy Statement, which explains the basis of our bills. This Policy Statement describes the manner in which we compute our fees, the relevance of hourly rates, and other factors used to determine a reasonable fee for our services, the payment of disbursement items, the timing and content of billing statements, and the expected payment period. As noted in our Policy Statement, we do not pass on charges to our clients for routine in-office copying, telephone calls, or faxes. We also afford our clients the opportunity to make value adjustments to their bills, either up or down.
3. Hourly Rates. Hourly rates are the major determinant of our fees, as explained more fully in the enclosed Billing Policy Statement. Our hourly rates presently range from \$195 per hour for paralegals to \$600 per hour for our most senior and experienced attorneys. We presently anticipate that the primary services will be performed by me, and my current hourly rate is \$395; however, because our firm understands the financial needs of public clients, we have agreed to a reduced \$285 flat rate for any attorneys assisting the District. Further, as we have discussed, in addition to our regular adjustments to rates,

David Carnahan
Hartstene Pointe Water-Sewer District
October 18, 2018
Page 2

we would revisit our hourly rates, in consultation with you and the District, should the scope or nature of the representation change over time, or if necessary, for special projects such as litigation. Staffing decisions will be made by me, after consultation with you, with the objective of rendering services to you on the most efficient and cost-effective basis.

We reassess our hourly rate schedules from time to time, and adjustments are made when we believe such adjustments are appropriate. These adjustments may be reflected in the billing rates utilized to determine our charges to you during the course of our engagement.

4. General Responsibilities of Attorney and Client. Cascadia Law Group will provide the above-described legal services for the District's benefit, for which you will be billed in the manner set forth above. We will keep you apprised of developments as necessary to perform our services and will consult with you as necessary to ensure the timely, effective, and efficient completion of our work.

We understand that you will provide us with such factual information and documents as we require to perform the services, will make any business or technical decisions and determinations as are appropriate to facilitate the completion of our services, and will remit payment of our billing statements within thirty (30) days of receipt, in accordance with the procedures described above.

5. Waiver of Future Conflicts. This will also confirm that the District has retained us only with respect to the Scope of Engagement described in Paragraph 1, above. We would, of course, be interested in establishing a broader relationship with the District; however, in light of the limited representation involved in this matter, we would appreciate confirmation that we are free to represent clients or take positions adverse to either your company or an affiliate in matters which are not substantially related to matters for which you have retained us.

We are delighted to be asked to provide legal services to the District, and we are looking forward to working with you on this engagement. Should you ever wish to discuss any matter relating to our legal representation, please do not hesitate to call me directly or to speak to one of our other attorneys who is familiar with the engagement.

While ordinarily we might prefer a less formal method of confirming the terms of our engagement, it has been our experience that a letter such as this is useful both to the firm and to the client. Moreover, in certain instances, the firm is

David Carnahan
Hartstene Pointe Water-Sewer District
October 18, 2018
Page 3

required by law to memorialize these matters in writing. In any event, we ask that you review this letter and the enclosed Billing Policy Statement carefully and, if it comports with your understanding of our respective responsibilities, so indicate by returning a signed copy of this letter to me at your earliest convenience. Obviously, if you have any questions concerning these matters, please let me know promptly.

We look forward to serving the District and thank you for looking to us to assist you in this matter.

With best regards.

Sincerely,



Joseph A. Rehberger
Direct Line: (360) 786-5062
Email: jrehberger@cascadialaw.com
Office: Olympia

JR:en

Enclosures

APPROVED AND AGREED TO:

HARTSTENE POINTE WATER-SEWER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

10

PROFESSIONAL SERVICES AGREEMENT

This Agreement combines all understandings between RH2 Engineering, Inc., hereinafter called the "Consultant," and Hartstene Pointe Water-Sewer District, hereinafter called the "Client," regarding professional services for Groundwater Replacement Well 4. This agreement supersedes all prior proposals, quotations, solicitations, negotiations, representations, agreements, or understandings, whether written or oral. The performance of the professional services described in this Agreement as well as payment for the services shall be in accordance with the terms and conditions in this Agreement and the following Exhibits which are attached:

Exhibit A:	Scope of Work
Exhibit B:	Fee Estimate
Exhibit C:	Schedule of Hourly Rates and Charges

Authorization To Proceed

Signing this form is authorization by the Client for the Consultant to proceed with the work as described in the Scope of Work stated in the Agreement, unless otherwise provided for in the Agreement.

Scope of Work

The Consultant agrees to perform the work in Exhibit A and according to the rates shown in Exhibit C. The cost to perform this work shall not exceed \$13,500.00, as shown in Exhibit B, without the Client's prior written authorization. Direct expenses are defined as costs other than payroll costs which are directly attributable to the work. They shall include mileage and related expenses, long-distance telephone, facsimile, postage, and delivery, and other expenses incurred in the direct interest of the project. If the Consultant is delayed in the performance of the work by conditions which are beyond their control, or by a change in the Scope of Work, the schedule may be revised.

Ownership of Products and Documents to Be Furnished by the Consultant

Upon completion of the project, the Consultant shall provide the Client with copies of the project documents in accordance with Exhibit A. The Consultant shall retain ownership of the source files and information developed by the Consultant in preparing the project documents. Upon request, the Consultant shall provide the Client with electronic copies of the project documents, in accordance with Exhibit A, in any of the following formats: Adobe Portable Document Format (PDF), AutoCAD Drawing Web Format (DWF) or JPEG (JPG). Any reuse of the project documents that is beyond the scope of the project is prohibited without written authorization from the Consultant. Any reuse of the project documents by the Client or any third party shall be without liability to the Consultant.

Professional Standards

The Consultant shall be responsible to the level of competency presently maintained by other practicing professional engineers in the same type of work in the Client's community, for the work furnished under this Agreement. The Consultant makes no other warranty, expressed or implied. The Consultant is entitled to rely on the accuracy and completeness of any data, information, or materials provided by the Client or others in relation to the work.

Outside Services

When technical or professional services are furnished by an outside source, an additional 15% shall be added to the cost of these services for the Consultant's administrative costs. Such services shall not be acquired without approval of Client.

Payment

The Consultant will send monthly invoices to the Client for completed work for services rendered under this Agreement as provided hereinafter and as specified in Exhibit B and Exhibit C. Such statements shall be for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work. All statements for work performed under this Agreement will list actual time (days and/or hours) and dates during which the work was performed, and the compensation shall be figured using the rates in Exhibit C. Finance charges, computed by a "Periodic Rate" of one percent (1%) per month, which is an annual percentage rate of twelve percent (12%) (applied to the previous month's balance after deducting payments and credits for the current month), will be charged on all past-due amounts unless otherwise provided by law or by contract. Invoices not paid within thirty (30) days shall be considered past due.

Termination

Either Client or Consultant may terminate this Agreement by giving ten (10) days' written notice to the other party. In such event, the Client shall pay in full for all work previously authorized and performed prior to the effective date of termination. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.

Legal Relations

This Agreement shall be interpreted and construed in accordance with the laws of the State of Washington. The parties shall make a good faith effort to resolve any disputes concerning questions of fact in connection with work prior to initiating legal action. In the event that either party institutes legal action or proceedings to enforce any of its rights in this Agreement, both parties agree that any such action shall be brought in the courts of the State of Washington, situated in King County.

The Consultant shall secure general liability, property damage, auto liability, and professional liability coverage in the amount of \$1.0 million, with a General Aggregate in the amount of \$2.0 million, unless waived or reduced by the Client. The Consultant shall submit to the Client a completed Standard ACORD Certification Form as proof of insurance. This Form shall name the Client as an additional insured for Consultant's applicable insurance policies.

All coverages provided by the Consultant shall be in a form and underwritten by a company acceptable to the Client. The Client will normally require carriers to have a minimum A.M. Best rating of A VII. The Consultant shall keep all required coverages in full force and effect during the life of this project, and a minimum of thirty (30) days' notice shall be given to the Client prior to the cancellation of any policy. The Consultant's relation to the Client shall be at all times as an independent contractor.

Execution and Acceptance

This Agreement may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect. The Consultant does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the supporting materials submitted by the Consultant, and does hereby accept the Agreement and agrees to all of the terms and conditions thereof.

In witness whereof, the parties hereto have executed this Agreement as of the day and year written below.

Richard L. Ballard
APPROVED

APPROVED

Richard L. Ballard, Director
PRINT NAME and TITLE

PRINT NAME and TITLE

10/17/18
DATE

DATE

RH2 Engineering, Inc., 22722 29th Drive SE, Suite 210, Bothell, WA 98021

Hartstone Pointe Water-Sewer District, 772 Chesapeake Dr., Shelton, WA 98584 s

EXHIBIT A
Scope of Work
Hartstene Pointe Water-Sewer District
Groundwater Replacement Well 4
Services During Construction and Pilot Study Assistance
 October 2018

Background

Design of the Groundwater Replacement Well 4 project (to replace Well 1) for the Hartstene Pointe Water-Sewer District (District) has been completed by RH2 Engineering, Inc., (RH2), and it was approved for construction by the Washington State Department of Health (DOH). Due to elevated levels of arsenic detected in the constructed Well 4, DOH requires a full-scale pilot study be performed prior to providing approval to pump to the distribution system. The goal of the pilot study is to demonstrate a reduction in the Well 4 arsenic levels to below the maximum contaminant level (MCL) while utilizing the existing Well 1 Water Treatment Plant processes. The District is handling all responsibilities for bidding the project and contracting with construction contractors.

The District will perform a majority of the services during construction (SDC) tasks during the construction phase of this project and a majority of the pilot study work following construction. This Scope of Work includes assistance by RH2 for specific SDC and pilot study tasks. Where identified in the scope of work, on-call work by RH2 will only be performed as directed by the District. No future tasks are anticipated at this time.

Task 1 – SDC Submittal Review

Objective: Assist the District with the review of contractor-provided submittals during construction.

Approach:

1.1 Review and approve or reject, if necessary, the following submittals.

- Well pump and motor package for items under Division 11 – Equipment of the project Technical Specifications.
- Pipe, fitting, and valve submittal(s) applicable to Division 15 – Mechanical of the project Technical Specifications. *The District will review a majority of the submittal(s) content and RH2's review(s) will be limited to confirming materials and NSF/low-lead ratings conform to the requirements in the project Technical Specifications and Plans.*

Assumptions: *RH2 will only review the submittals listed above and will not be responsible for other submittals. The level of effort in the Fee Estimate assumes no more than two (2) rounds of review by RH2 for the listed submittals. If the District requests that additional submittals be reviewed by RH2, or that more than two (2) rounds of review are required for a listed submittal, RH2 will use the general contingency task in the contract, up to the limit of the authorization. If additional time is required beyond the general contingency, a contract amendment will be prepared.*

Provided by the District:

- Copies of listed contractor-provided submittals in PDF or hard copy form.
- Submittal responses to the contractor with inclusion of RH2's submittal review comments.

RH2 Deliverables:

- Submittal response forms (in RH2 format) and necessary submittal mark-ups in PDF form. Copies will be provided to the District; the District will then forward responses to the contractor.

Task 2 – SDC Observation and Witness Testing

Objective: Assist the District with mechanical observation and witnessing well pump testing during construction. Submit a completed Construction Completion Report (CCR) form to DOH.

Approach:

2.1 Provide mechanical observation and witness well pump testing and CCR Submittal to DOH.

- Prior to the contractor beginning construction of applicable work, review and discuss with the District the contractor's proposed procedures for disinfecting the well, well pump and motor, and piping system. After installation and testing of the same by the contractor, review the contractor's completed disinfection procedures (*as documented by the District*), pressure and leakage test(s) results, and bacteriological test(s) results to confirm compliance with DOH-approved project requirements. *The District will observe all mechanical installations by the contractor and will witness and document all pressure, leakage, and water quality tests.*
- Provide an observation of the above-grade portions of the fully installed well pump discharge piping system. Witness the well pump operation testing to confirm that the performance conforms with the Field Quality Control requirements of the contractor in Division 11.10.1 of the project Technical Specifications. *One (1) site visit by an RH2 project engineer for observation and witnessed testing is assumed.*
- Complete, sign, and submit the CCR form to DOH after witnessing successful testing.

Assumptions:

- *The District will witness all pressure, leakage, and water quality testing and provide copies of results to RH2. The District will fill out the Pressure, Leakage, and Bacteriological Test Report form (from DOH) and provide RH2 with a copy.*
- *RH2's observation and witness testing will be performed after the contractor has completed installation of the well pump and motor, discharge piping system, and associated electrical and automatic control components and performed initial testing to confirm that it is all operational. RH2 is not responsible for directing the contractor in their work.*
- *If the RH2-witnessed testing does not show conformance and requires follow-up testing by the contractor, RH2 will use the general contingency task in the contract for follow-up work as requested by the District, up to the limit of the authorization. If additional time is required beyond the general contingency, RH2 will request authorization to proceed from the District.*
- *The District will be solely responsible for preparing and providing a punchlist to the contractor for communicating the construction deficiencies that are to be rectified by the contractor.*
- *The District will witness startup and perform all final on-site observation to ensure completeness of the work by the contractor.*

Provided by the District:

- PDF file or hard copy of the contractor’s schedule and subsequent revisions.
- PDF file or hard copy of the contractor’s proposed disinfection procedures forwarded to RH2.
- Witness all pressure, leakage, and water quality testing and provide copies of results to RH2.
- Complete DOH’s Pressure, Leakage, and Bacteriological Test Report form and provide a copy to RH2.
- Site, utility, structural, mechanical, and electrical observations.
- Punchlist(s), witnessing startup, and final observation.

RH2 Deliverables:

- Reviews and responses, by e-mail (with attachments as applicable) to the District, to the contractor’s proposed disinfection procedures and completed test results.
- One (1) site visit for combined observation of fully-installed mechanical and witnessed testing of well pump operation.
- One (1) PDF file or hard copy of the completed and signed CCR and submittal to DOH by e-mail or mail.

Task 3 – SDC On-call Support and Contingency

Objective: Provide additional SDC assistance on an on-call basis as directed by the District.

Approach:

- 3.1 Respond to technical questions from the District. Respond to requests for information (RFIs) forwarded by the District. Review change order requests and supporting information that is forwarded by the District.
 - Provide discussion via telephone or e-mail with the District to respond to questions that arise during project construction, testing, and startup.
 - Provide review and response to RFIs that are submitted by the contractor to the District and forwarded by the District to RH2.
 - Provide review and comments for change order requests that are submitted by the contractor to the District and forwarded by the District to RH2. *The District will handle the final approval and execution of all change orders.*
- 3.2 Provide additional SDC support (general contingency).
 - Provide additional SDC support as requested by the District during construction, testing, and startup that is not listed in this Scope of Work or that is above the level of effort in the Fee Estimate.

Assumptions:

- *The District will handle all communication and coordination directly with the contractor.*

- RH2 will provide SDC on-call support as requested by the District, up to the fee amounts allocated for this task in the Fee Estimate. Once the fee amount for this task has been reached, RH2 will notify the District. If the District requires on-call support above and beyond the fee amount for this task, the District and RH2 will mutually agree upon an additional fee amount for continued SDC on-call support.

Provided by the District:

- Telephone calls, e-mails, PDF files and/or hard copies dependent on the requested assistance by the District.

RH2 Deliverables:

- Deliverable requirements depend on the requested assistance by the District.

Task 4 – Pilot Study Assistance

Objective: Assist the District in facilitating a full-scale pilot study, which will be performed by the District to show that the existing treatment processes are sufficient for removing Well 4 raw water arsenic levels to below the MCL.

Approach:

- 4.1 Prepare a pilot study protocol to be reviewed by DOH and used by the District for full-scale testing. Coordinate with the District and DOH to discuss testing logistics and requirements while developing the pilot study protocol. Submit a draft PDF copy of the protocol to the District for review. Finalize the protocol based on the District's comments and submit a PDF of the protocol to DOH for review. Amend the final version to address DOH comments, if any.
- 4.2 Provide off-site technical assistance to the District during pilot study testing. Review partial testing data and assist the District with possible process changes based on the results.
- 4.3 Analyze the District's pilot study data at the completion of testing and summarize the findings in a report. Submit a draft PDF copy of the report to the District for review. Finalize the report based on the District's comments and submit two (2) printed copies to DOH for review. Print two (2) additional hard copies of the final report, one (1) each for District and RH2 records. If necessary, respond to DOH comments by letter. *The level of effort in the Fee Estimate assumes that DOH will only have one (1) round of comments that will be addressed with one (1) letter prepared by RH2.*

Assumptions:

- Pilot study testing will utilize the existing Well 1 Water Treatment Plant processes: sodium hypochlorite and potassium permanganate addition followed by filtration.
- The focus of the pilot study will be the removal of arsenic. In addition, the District will monitor and test to confirm sufficient reduction in levels of iron and manganese to below the Secondary MCLs for each.
- The District will perform a trial run followed by two (2) rounds of pilot study testing. Each round will consist of backwashing the filters and then operating the well and treatment plant until iron or manganese breakthrough (i.e., levels above half of the Secondary MCL).
- A contract amendment will be prepared if any additional pilot study planning and testing is necessary to show sufficient removal of arsenic in the treated water.

Hartstene Pointe Water-Sewer District
Groundwater Replacement Well 4
Services During Construction and Pilot Study Assistance

Exhibit A
Scope of Work

Provided by District:

- Review comments for drafts of the pilot study protocol and report.
- Pilot study testing operation and on-site water quality testing.
- Sampling, delivery, and payments for laboratory water quality testing.
- Compiled and organized water quality test results.

RH2 Deliverables:

- Pilot study protocol – one (1) draft PDF for District review, one (1) final PDF for DOH review, and one (1) amended PDF, if necessary.
- Pilot study report – one (1) draft PDF for District review, two (2) printed copies of final for DOH review, and two (2) printed copies of final, one (1) each for District and RH2 records.
- E-mailed PDF and mailed hard copy letter response to DOH pilot study review comments, if necessary.

EXHIBIT B

Hartstene Pointe Water-Sewer District
 Groundwater Replacement Well 4
 Services During Construction and Pilot Study Assistance
 Fee Estimate

Description	Total Hours	Total Labor	Total Expense	Total Cost
Task 1 SDC Submittal Review	12	\$ 2,144	\$ 106	\$ 2,250
Task 2 SDC Observation and Witness Testing	12	\$ 2,122	\$ 128	\$ 2,250
Task 3 SDC On-call Support and Contingency	16	\$ 2,888	\$ 112	\$ 3,000
Task 4 Pilot Study Assistance	32	\$ 5,710	\$ 290	\$ 6,000
PROJECT TOTAL	72	\$ 12,864	\$ 636	\$ 13,500

EXHIBIT C RH2 ENGINEERING, INC. 2018 SCHEDULE OF RATES AND CHARGES		
RATE LIST	RATE	UNIT
Professional I	\$138	\$/hr
Professional II	\$153	\$/hr
Professional III	\$164	\$/hr
Professional IV	\$175	\$/hr
Professional V	\$191	\$/hr
Professional VI	\$203	\$/hr
Professional VII	\$219	\$/hr
Professional VIII	\$230	\$/hr
Professional IX	\$230	\$/hr
Technician I	\$100	\$/hr
Technician II	\$107	\$/hr
Technician III	\$132	\$/hr
Technician IV	\$140	\$/hr
Administrative I	\$69	\$/hr
Administrative II	\$81	\$/hr
Administrative III	\$96	\$/hr
Administrative IV	\$114	\$/hr
Administrative V	\$131	\$/hr
CAD/GIS System	\$27.50	\$/hr
CAD Plots - Half Size	\$2.50	price per plot
CAD Plots - Full Size	\$10.00	price per plot
CAD Plots - Large	\$25.00	price per plot
Copies (bw) 8.5" X 11"	\$0.09	price per copy
Copies (bw) 8.5" X 14"	\$0.14	price per copy
Copies (bw) 11" X 17"	\$0.20	price per copy
Copies (color) 8.5" X 11"	\$0.90	price per copy
Copies (color) 8.5" X 14"	\$1.20	price per copy
Copies (color) 11" X 17"	\$2.00	price per copy
Technology Charge	2.50%	% of Direct Labor
Mileage	\$0.545	price per mile (or Current IRS Rate)
Subconsultants	15%	Cost +
Outside Services	at cost	

Rates listed are adjusted annually.

November Hours Estimate for Board Consideration

1 message

Miceal Carnahan <carnahanmiceal@gmail.com>

Mon, Oct 29, 2018 at 9:37 AM

To: gm@hpwatersewer.com

Cc: clerk@hpwatersewer.com

In accordance with the new consulting contract between me and the District the board must approve work estimated beyond 8 hours in a month. For the Board's consideration, below are my estimated hours for the month of November:

Assist District Clerk with November/December billing: 2 hours

Assist District Clerk with November payroll transmission and entry: 2 hours

Attend November 1st Board Meeting for budget discussion: 3 hours

Assist General Manager and District Clerk with Budget Hearing Presentation: 3 hours

Attend November 8th special meeting for budget hearing preparation discussion: 2 hours

Attend November 10th Budget Hearing: 2 hours

Assist District Clerk with preparation of Budget adoption and other associated resolutions and forms: 2 hours

If requested, attend November 15th Board meeting for budget adoption: 3 hours

Travel time for attendance of meetings (4): 4 hours

Total estimated November hours: 23

Total estimated November billing: \$1,035

Miceal Carnahan

Hartstene Pointe Water-Sewer District

District Funds Policies

The District shall utilize “proprietary fund accounting” as the organizational structure for its financial activities. The following funds have been established with the Mason County Treasurer’s Office for budgeting and accounting purposes.

- **690-005-010 – General Operating Fund:** The General Operating Fund accounts for all financial resources and transactions, except those required to be accounted for in another fund. The minimum fund balance shall be targeted at 25% of the annual operating and maintenance budget. Projected variances from the 25% minimum target shall be disclosed during the annual budget process or during the current year if unanticipated circumstances occur that negatively impact current year revenue and/or expenditure projections. Fund balance targets may be modified during the annual budget process to reflect extraordinary circumstances (e.g., projected future extraordinary expenditure demands, projected revenue uncertainty, etc.). At least 20% of the annual operating and maintenance budget is to be invested in the State Investment Pool.
- **690-005-020 – Water/Sewer Committed Fund:** The Water/Sewer Committed Fund accounts for monies held for specified purposes but not designated for debt service. Use of monies held within this fund is subject to a vote of the District Commission. The Water/Sewer Committed Fund is divided into three sub-funds:
 - *Risk Management Fund:* For operating shortfalls due to unforeseen cost increases, unanticipated revenue losses, or unforeseen emergency expenditures. The minimum balance for this sub-fund shall be targeted at \$200,000 by 2025. The sub-fund must maintain no less than 12.5% of annual operating revenue in order to meet requirements set forth in the District’s DWSRF Loan contract.
 - *Capital Improvement Fund:* For the accrual of monies to fund capital projects laid out in the District’s six year Capital Improvement Plan.
 - *Reservoir Fund:* For future repairs to reservoir. The target balance for this sub-fund shall be \$150,000 by 2027.
 - *Asset Replacement Fund:* For the replacement of short-lived equipment. This reserve receives a \$9,000 annual contribution from the General Operating Fund, per the District’s USDA Bond Covenants.
- **690-005-030 – Ecology Loan Reserve:** Used to hold in reserve an amount equal to one full year of debt service payments (\$38,111.40) for the District’s Department of Ecology Loan. The balance of this fund is invested in the State Investment Pool.
- **690-005-050 – DWSRF Loan Reserve:** The District shall make regular transfers from the General Operating Fund into this fund such that by September 30th of each year the fund balance equals the annual DWSRF loan debt service payment. The balance of this fund is to be invested in the State Investment Pool until withdrawn for disbursement for the annual debt service payment. All interest earned on funds held within this fund shall accrue and be applied toward reducing the amount of the Drinking Water State Revolving Fund loan. ~~Based on current loan projections, the~~ For the life of the loan, monthly

transfers shall be made to the DWSRF Loan Reserve so that the annual payment amount is accrued by October of each year, in accordance with the loan contract ~~should be \$2,000.~~ Once the loan is closed and the actual annual payment amount is determined, the monthly transfer amount should be adjusted.

- **690-005-060 – Hartstene Pointe Bond Fund:** Used to make semi-annual debt service payments of \$19,665. District must transfer the payment amount from the General Operating Fund into the Bond Fund at least 5 days prior to payment due dates (March 5 and September 5). The payment is electronically transferred from this fund to the USDA on the payment due date.
- **690-005-065 – Hartstene Pointe Capital Project Fund:** Used to accept construction loan funds and pay contractors for financed capital projects.
- **690-005-070 – Water Revenue Bond, 2012 Debt Service Reserve:** Used to hold one full year of USDA Bond debt service payments (\$39,330). Per bond covenants, monthly transfers of \$327.75 should be made from the General Operating Fund into this fund so that the balance is reached no later than September 2022. The balance of this fund is to be invested in the State Investment Pool.

For the purposes of annual financial reporting to the Washington State Auditor's Office, all funds are rolled into one general fund, designated as fund 401.