

HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
April 19, 2018 1:00 P.M.

AGENDA

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

REPORTS:

7. Commissioner Reports
8. Emergency Preparedness Report
9. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2018-08
 - March Financial Report (pgs. 5-6)
 - 2018 1st Quarter Financial Report (pgs. 7-11)
10. Manager's Report

BUSINESS:

11. Tree Removal Request – HPMa Permit Review Committee Response
12. HPMa Clubhouse Bulletin Board
13. Well 2 Rehabilitation Project Procurement Update
14. Well 4 Project
 - Fitting Phase Procurement Update
 - Mechanical Phase Procurement Update
 - Evolution Controls Well 4 SCADA and Telemetry Proposal (pgs. 12-14)
15. Executive Director Position (pgs. 15-17)
 - Job Description
 - Benefits Administration:
 - Public Employees Benefits Board – Insurance (pg. 16)
 - Public Employees' Retirement System (pg. 17)
16. May/June Newsletter Topics

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
April 5, 2018
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

PRESENT: President R. Scarola, Secretary A. Hospador, Commissioner D. McNabb, 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: January 2018 Discharge Monitoring Report

PRESENT AGENDA: The agenda for the April 5, 2018 regular meeting was presented. *Commissioner McNabb moved to adopt the agenda as presented. Commissioner Hospador seconded. Hearing no 3 aye votes and 0 nay votes, the agenda was adopted.*

MINUTES:

- The minutes of the March 15, 2018 regular meeting were presented. *Commissioner Hospador moved to approve the minutes. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved.*
- The minutes of the March 22, 2018 special meeting were presented. *Commissioner Hospador moved to approve the minutes. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved.*

REPORTS:

Commissioner Reports:

- Commissioner McNabb: Presented Department of Health's, "Water System Planning Requirements," Rural Community Assistance Partnership's, "Emergency Response Planning Template for Public Drinking Water Systems," The National Academies Press, "Safe Water From Every Tap: Improving Water Service to Small Communities," and Department of Health's Waterworks Operator Certification webpage.
- Commissioner Hospador: April 11th at 7:00 pm, the Olympia Science Café meeting topic will be "Water, water everywhere, but is there enough? The paradox of water in Thurston County"
- Commissioner Scarola: attended MRSC's webinar, Strategic, Long-Term Budgeting and Planning.

Emergency Preparedness Report: Hartstene Pointe Maintenance Association Emergency Preparedness Committee has volunteered to make members available to receive training in how to close the reservoir in order to preserve the water if the water operators are unavailable during

an emergency situation. Commissioner McNabb expressed discomfort with granting access to individuals who are not District staff. It was proposed that the code to a lockbox with a key to the reservoir gate would only be accessible and/or known by District Board members and staff.

Financial/Administrative Report:

- Bills to Be Authorized: Voucher 2018-07, in the amount of \$25,093.91, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
- New Utility Bill Format: Presented and discussed.
- Annual Report to State Auditor’s Office: Presented and discussed. *Commissioner Hospador moved to approve the 2017 Annual Report to the State Auditor’s Office. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

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

Meeting recessed at 2:25 pm. Meeting reconvened at 2:35 pm.

BUSINESS:

Well 1 Treatment Building Roof Replacement – Review Quotes: The District received three quotes. The lowest bid was from Andy Schwartz Construction for \$5,113.61 including tax. *Commissioner Hospador moved to award the contract to Andy Schwartz Construction. President Scarola seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Well 2 Rehabilitation – Review Quotes: The District received no responses to the request for quotes. GM will call prospective bidders and try to have quotes by the next meeting.

Well 4 Project – Review Quotes:

- **Equipping:** The District received no responses to the request for quotes.
- **Mechanical:** The District only received one quote.
- **Electrical:** The District received four quotes, however with the other parts of the project un-awarded, the Board chose not to award the contract at this time.

Commissioner Hospador moved to direct the GM to follow up with prospective bidders and attempt to gain more quotes. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.

Review March 22nd Special Meeting: The Board discussed the March 22nd Special Meeting with Jim Kunz, Executive Director of the Washington Association of Sewer and Water Districts, and Reg Hearn, General Manager of Grays Harbor County Water District. President Scarola presented a proposed job description for an Executive Director position. The role and proposed job description were reviewed and discussed. *Commissioner Hospador moved to authorize the President to put together an attractive marketing piece with the proposed Executive Director job description for review at the next regular meeting. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

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The meeting was adjourned at 3:40 pm.

Respectfully Submitted By:

Signature

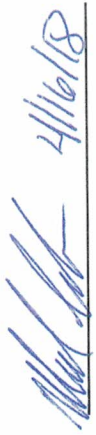
Name and Title

Approved at the Regular Meeting of the Board on: _____

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Hartstene Pointe Water Sewer District
 Monthly Financial Report - Fund Activity

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
Reserve Funds					
030 - Ecology Reserve	38,741.80	-	41.51	38,783.31	41.51
050 - DWSRF Loan Reserve	34,306.93	-	6,881.93	41,188.86	6,881.93
060 - Bond Fund	19,665.00	(19,665.00)	-	0.00	(19,665.00)
070 - USDA Revenue Bond Reserve	21,471.65	-	350.41	21,822.06	350.41
Total Reserve Funds	114,185.38	(19,665.00)	7,273.85	101,794.23	(12,391.15)
Unreserved Funds					
EFT Account - Columbia Bank	2,619.75	(38,981.59)	37,265.49	903.65	(1,716.10)
Petty Cash Account	1,477.79	(104.96)	522.21	1,895.04	417.25
Xpress Deposit Account	717.30	(10,802.49)	19,713.97	9,628.78	8,911.48
010 - Operating Fund	80,000.00	-	-	80,000.00	-
<i>Operating Investment Fund</i>	37,442.37	(39,902.71)	49,800.95	47,340.61	9,898.24
010 - Operating Fund - Other	117,442.37	(39,902.71)	49,800.95	127,340.61	9,898.24
Total 010 - Operating Fund	143,713.34	(83,929.73)	-	59,783.61	(83,929.73)
065 - Capital Project Account	265,970.55	(173,721.48)	107,302.62	199,551.69	(66,418.86)
Total Unreserved Funds					
Committed Funds					
020 - Water/Sewer Committed Fund	21,540.00	-	-	21,540.00	-
Asset Replacement Fund	49,540.00	-	-	49,540.00	-
Capital Improvement Fund	125,070.27	-	24,929.73	150,000.00	24,929.73
<i>I&J Repair</i>	174,610.27	-	24,929.73	199,540.00	24,929.73
<i>Reservoir Repair</i>	77,040.35	-	59,292.68	136,333.03	59,292.68
Total Capital Improvement Fund	273,190.62	-	84,222.41	357,413.03	84,222.41
Risk Management Fund	273,190.62	-	84,222.41	357,413.03	84,222.41
Total 020 - Water/Sewer Committed Fund					
Total Committed Funds	653,346.55	(193,386.48)	198,798.88	658,758.95	5,412.40



 Acct. & Admin. Services Mgr. Date 4/16/18

I hereby certify that the above statement is true.



 Audit Commissioner Date

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

	<u>Jan - Mar 18</u> <u>(25% of Year)</u>	<u>Total 2018</u> <u>Budget</u>	<u>\$ Over (Under)</u> <u>Total Budget</u>	<u>% of Total</u> <u>2018 Budget</u>
Ordinary Income/Expense				
Income				
Non-Operating Revenue	156,250.32	177,471.00	-21,220.68	88.04%
Operating Revenue	162,509.37	642,762.00	-480,252.63	25.28%
Total Income	<u>318,759.69</u>	<u>820,233.00</u>	<u>-501,473.31</u>	<u>38.86%</u>
Expense				
534 · Water Expenditures	64,276.03	469,197.91	-404,921.88	13.7%
535 · WW Treatment Expenditures	34,423.11	210,291.40	-175,868.29	16.37%
538 · Combined W/S Expenditures	40,365.48	142,493.00	-102,127.52	28.33%
Total Expense	<u>139,064.62</u>	<u>821,982.31</u>	<u>-682,917.69</u>	<u>16.92%</u>
Net Ordinary Income	<u>179,695.07</u>	<u>-1,749.31</u>	<u>181,444.38</u>	
Net Income	<u><u>179,695.07</u></u>	<u><u>-1,749.31</u></u>	<u><u>181,444.38</u></u>	

Hartstene Pointe Water-Sewer District

Balance Sheet

1st Quarter, 2018

ASSETS		3/31/2018
CURRENT ASSETS		
<u>Unreserved Funds</u>		
Operating Account		127,341
Capital Project Account		59,784
Electronic Funds Transfer Account		904
Xpress EFT Deposit Account		9,629
Petty Cash Account		1,895
Total Unreserved Funds		<u>199,552</u>
<u>Committed Funds</u>		
Asset Replacement Fund		21,540
Capital Improvement Fund		
I&I Repair	49,540	
Reservoir Repair	150,000	
Other Capital Improvements	-	
Total Capital Improvement Fund		<u>199,540</u>
Risk Management Fund		136,333
Total Committed Funds		<u>357,413</u>
<u>Reserve Funds</u>		
Ecology Reserve		38,783
DWSRF Loan Reserve		41,189
USDA Revenue Bond Reserve		21,822
Total Reserved Funds		<u>101,794</u>
TOTAL CURRENT ASSETS		\$ 658,759
FIXED ASSETS		
<u>Land and Improvements</u>		
Water		391,662
Wastewater/Sewer		1,679,875
<u>Equipment</u>		
Water		1,595,386
Wastewater/Sewer		1,391,775
TOTAL FIXED ASSETS		\$ 5,058,698
Total Assets		\$ 5,717,456
LIABILITIES AND EQUITIES		
LIABILITIES		
USDA Revenue Bond		467,065
DWSRF Loan		1,232,774
Dept. of Ecology Loan		352,599
TOTAL LIABILITIES		\$ 2,052,439
EQUITY		
Net Income for the Period		179,695
Equity		3,485,323
TOTAL EQUITY		\$ 3,665,018
Total Liabilities & Equity		\$ 5,717,456

CERTIFIED CORRECT

Date
4/16/2018


Miceal Carnahan, Acct. & Admin. Services Manager

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

	Jan - Mar 18 (25% of Year)	Total 2018 Budget	\$ Over (Under) Total Budget	% of Total 2018 Budget
Income				
Non-Operating Revenue				
361.11 · Interest earned	1,416.15	3,166.00	-1,749.85	44.73%
367.40 · Connection Fees - Water	0.00	1,800.00	-1,800.00	0.0%
367.50 · Connection Fees - Sewer	0.00	2,700.00	-2,700.00	0.0%
391.80 · Intergovernmental Loan Proceeds	154,834.17	169,805.00	-14,970.83	91.18%
Total Non-Operating Revenue	156,250.32	177,471.00	-21,220.68	88.04%
Operating Revenue				
343.40 · Water Sales and Services	83,785.68	330,823.00	-247,037.32	25.33%
343.50 · Sewer Sales and Services	77,385.85	305,575.00	-228,189.15	25.33%
359.90 · Penalties and Fees	1,337.84	6,364.00	-5,026.16	21.02%
Total Operating Revenue	162,509.37	642,762.00	-480,252.63	25.28%
Total Income	318,759.69	820,233.00	-501,473.31	38.86%

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

Expense	Jan - Mar 18 (25% of Year)	Total 2018 Budget	\$ Over (Under) Total Budget	% of Total 2018 Budget
534 · Water Expenditures				
534.30 · Supplies - Water	528.92	4,500.00	-3,971.08	11.75%
534.40 · Services - Water				
Professional Services - Water				
Meter Reading	1,066.18	3,360.00	-2,293.82	31.73%
41 1010 · Attorney Fees - Water	0.00	250.00	-250.00	0.0%
41 1020 · Consultant Fees - Water	0.00	250.00	-250.00	0.0%
41 1040 · Operations - Water	7,746.90	31,487.00	-23,740.10	24.6%
41 1041 · Operations - Non-routine Water	0.00	350.00	-350.00	0.0%
41 1050 · Lab Testing - Water	397.80	1,070.00	-672.20	37.18%
Total Professional Services - Water	9,210.88	36,767.00	-27,556.12	25.05%
Water Repair and Maint.				
48 1020 · SCADA - Water	110.00			
48 1030 · Repair & Maintenance - Water				
JMS Contract	3,149.96	17,850.00	-14,700.04	17.65%
Other	688.13	5,000.00	-4,311.87	13.76%
Total 48 1030 · Repair & Maintenance - Water	3,838.09	22,850.00	-19,011.91	16.8%
Total Water Repair and Maint.	3,948.09	22,850.00	-18,901.91	17.28%
47 1010 · Electric - Water	2,326.42	9,500.00	-7,173.58	24.49%
Total 534.40 · Services - Water	15,485.39	69,117.00	-53,631.61	22.41%
534.50 · Intergov - Water				
53 1010 · Excise Tax - Water	4,154.72	16,637.00	-12,482.28	24.97%
53 1020 · Permit Fees - Water	0.00	774.00	-774.00	0.0%
Total 534.50 · Intergov - Water	4,154.72	17,411.00	-13,256.28	23.86%
594.34 · Capital Expenditures - Water				
Generator	0.00	30,000.00	-30,000.00	0.0%
Reservoir				
Cathodic Protection Repair	0.00	20,000.00	-20,000.00	0.0%
Mixer	12,152.00	12,000.00	152.00	101.27%
Painting/Repair	0.00	150,000.00	-150,000.00	0.0%
Total Reservoir	12,152.00	182,000.00	-169,848.00	6.68%
Well #1 Replacement	1,090.00	45,000.00	-43,910.00	2.42%
WTP Improvements Project	11,200.00			
Total 594.34 · Capital Expenditures - Water	24,442.00	257,000.00	-232,558.00	9.51%
59X.34 · Debt Service - Water	19,665.00	121,169.91	-101,504.91	16.23%
Total 534 · Water Expenditures	64,276.03	469,197.91	-404,921.88	13.7%

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

	<u>Jan - Mar 18 (25% of Year)</u>	<u>Total 2018 Budget</u>	<u>\$ Over (Under) Total Budget</u>	<u>% of Total 2018 Budget</u>
535 · WW Treatment Expenditures				
535.30 · Supplies - WW Treatment	353.47	6,000.00	-5,646.53	5.89%
535.40 · Services - WW Treatment				
Professional Services - WWT				
41 3010 · Attorney Fees - WW Treatment	0.00	250.00	-250.00	0.0%
41 3020 · Consultant Fees - WW Treatment	0.00	250.00	-250.00	0.0%
41 3040 · Operations - WW Treatment	13,500.00	54,000.00	-40,500.00	25.0%
41 3041 · Operations - Non-routine WWT	1,420.00	4,000.00	-2,580.00	35.5%
41 3050 · Lab Testing - WW Treatment	778.50	8,058.00	-7,279.50	9.66%
Total Professional Services - WWT	<u>15,698.50</u>	<u>66,558.00</u>	<u>-50,859.50</u>	<u>23.59%</u>
WW Treatment Maint. and Repair				
48 3010 · Biosolids Disposal	0.00	20,000.00	-20,000.00	0.0%
48 3020 · SCADA - WW Treatment	1,370.00	1,500.00	-130.00	91.33%
48 3030 · Repair & Maint. - WW Treatment				
JMS Contract	2,570.62	15,750.00	-13,179.38	16.32%
Other	74.94	8,000.00	-7,925.06	0.94%
Sewer Collection	0.00	20,000.00	-20,000.00	0.0%
Total 48 3030 · Repair & Maint. - WW Treatment	<u>2,645.56</u>	<u>43,750.00</u>	<u>-41,104.44</u>	<u>6.05%</u>
Total WW Treatment Maint. and Repair	<u>4,015.56</u>	<u>65,250.00</u>	<u>-61,234.44</u>	<u>6.15%</u>
47 3010 · Electric - WW Treatment	3,386.37	12,000.00	-8,613.63	28.22%
Total 535.40 · Services - WW Treatment	<u>23,100.43</u>	<u>143,808.00</u>	<u>-120,707.57</u>	<u>16.06%</u>
535.50 · Intergov - WW Treatment				
B&O/Excise Tax	1,228.31	5,302.00	-4,073.69	23.17%
53 3020 · Permit Fees - WW Treatment	469.80	2,070.00	-1,600.20	22.7%
Total 535.50 · Intergov - WW Treatment	<u>1,698.11</u>	<u>7,372.00</u>	<u>-5,673.89</u>	<u>23.04%</u>
594.35 · Capital Expenditures - WWT				
Other - WWT Composite Sampler	6,831.60			
Pellet Disinfection	2,439.50	15,000.00	-12,560.50	16.26%
Total 594.35 · Capital Expenditures - WWT	<u>9,271.10</u>	<u>15,000.00</u>	<u>-5,728.90</u>	<u>61.81%</u>
59X.35 · Debt Service - WW Treatment	0.00	38,111.40	-38,111.40	0.0%
Total 535 · WW Treatment Expenditures	<u>34,423.11</u>	<u>210,291.40</u>	<u>-175,868.29</u>	<u>16.37%</u>

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

	Jan - Mar 18 (25% of Year)	Total 2018 Budget	\$ Over (Under) Total Budget	% of Total 2018 Budget
538 · Combined W/S Expenditures				
538.10 · Salaries & Wages				
10 0010 · Commissioner 1	0.00	3,591.00	-3,591.00	0.0%
10 0020 · Commissioner 2	973.00	4,032.00	-3,059.00	24.13%
10 0030 · Commissioner 3	570.00	3,591.00	-3,021.00	15.87%
Total 538.10 · Salaries & Wages	<u>1,543.00</u>	<u>11,214.00</u>	<u>-9,671.00</u>	<u>13.76%</u>
538.20 · Payroll Tax	383.61	858.00	-474.39	44.71%
538.30 · Supplies - Combined W/S	845.72	3,350.00	-2,504.28	25.25%
538.40 · Services - Combined W/S				
Management				
41 4010 · General Manager	11,620.36	47,231.00	-35,610.64	24.6%
41 4020 · Acct & Admin Services	9,857.50	42,000.00	-32,142.50	23.47%
Total Management	<u>21,477.86</u>	<u>89,231.00</u>	<u>-67,753.14</u>	<u>24.07%</u>
Other Services - Combined W/S				
Information Technology	3,143.23	3,143.00	0.23	100.01%
Lockbox	2,599.28	4,845.00	-2,245.72	53.65%
Online Payment System	440.70	1,800.00	-1,359.30	24.48%
Storage Unit Rental	210.00	840.00	-630.00	25.0%
361.19 · Investment Service Fees	438.67	1,900.00	-1,461.33	23.09%
42 0010 · Postage	265.80	1,400.00	-1,134.20	18.99%
42 0020 · Telephones	1,531.38	6,156.00	-4,624.62	24.88%
44 0010 · Legal Notices & Publications	144.00	255.00	-111.00	56.47%
46 0010 · Liability Insurance	0.00	10,042.00	-10,042.00	0.0%
49 0010 · Professional Dues	1,137.91	1,650.00	-512.09	68.96%
49 0020 · Printing to Subscribers	58.30	1,800.00	-1,741.70	3.24%
Total Other Services - Combined W/S	<u>9,969.27</u>	<u>33,831.00</u>	<u>-23,861.73</u>	<u>29.47%</u>
43 · Travel/Mileage/Training	652.96	3,500.00	-2,847.04	18.66%
Total 538.40 · Services - Combined W/S	<u>32,100.09</u>	<u>126,562.00</u>	<u>-94,461.91</u>	<u>25.36%</u>
538.50 · Intergov - Combined W/S				
B&O Tax - Fees/Penalties	13.32	95.00	-81.68	14.02%
Other	0.00	200.00	-200.00	0.0%
State Audit	5,479.74			
51 0010 · County Election Costs	0.00	214.00	-214.00	0.0%
Total 538.50 · Intergov - Combined W/S	<u>5,493.06</u>	<u>509.00</u>	<u>4,984.06</u>	<u>1,079.19%</u>
Total 538 · Combined W/S Expenditures	<u>40,365.48</u>	<u>142,493.00</u>	<u>-102,127.52</u>	<u>28.33%</u>
Total Expense	<u>139,064.62</u>	<u>821,982.31</u>	<u>-682,917.69</u>	<u>16.92%</u>
Net Income	<u>179,695.07</u>	<u>-1,749.31</u>		



Evolution Controls, LLC

Office: 425-359-5322
Mobile: 425-359-5322

CONTROL SYSTEM DESIGN, FABRICATION, PROGRAMMING & TESTING

Snohomish WA
AI@EvolutionControls.net

April 4th 2018
QUOTE#1807

Subject: HPWSD Well 4 SCADA & Telemetry Addition

Dear Mont;

As requested by the Hartstene Point Water & Sewer District, we have prepared the following quote to modify the existing SCADA & Telemetry system to accommodate the new Well 4 in place of the existing Well .

SCOPE

Evolution Controls, LLC will supply the below outlined services for modifying the existing District SCADA & Telemetry system to replace Well 1 with Well 4 as detailed in the Specs and Plans developed by RH2 engineering dated January 30th 2018. Evolution Controls scope of supply is as follows: Please Note that this scope does not include any hardware, the Well 4 Pump Control Panel is provided under a separate scope directly with the electrical contractor. See below for detailed Scope:

- A. Revise all water system control, monitoring and alarming hardware & software referred to as Well Pump 1 to be modified as necessary to be referenced as Well Pump 4 as shown on the RH2 Well 4 pump control panel plans dated January 30th 2018. Below are the specific tasks included in this scope:
1. Coordinate with District and Electrical Contractor as necessary to ensure the professional and thorough completion of a successful project.
 2. Revise RTU1 Control Panel wire diagram interconnections with Well 1 Pump Control Panel to Reference interconnections with new Well 4 Pump Control Panel.
 3. Revise RTU1 PLC program as necessary to replace all Well Pump 1 referenced I/O with the new reference Well Pump 4 I/O.
 4. Revise RTU1 PLC program to include Well Pump 4 control programming, alarms/alarming, totalizing and telemetry data for the new Well Pump 4.
 5. Revise RTU1 Operator Interface (C-More) application as necessary to include Well Pump 4 Data Display, Data Entry (Alarm & Control Set Points) alarms/alarming and navigation for the new Well Pump 4.
 6. Update SCADA application Data display, Data Entry (Control Set Points and Alarm Setpoints) alarms, alarming, historical data logging/trending and navigation for the new Well Pump 4 in place of Well Pump 1.
 7. Provide Startup, Testing, operator training and updated as-built documentation as necessary to reflect all efforts associated with the above detailed scope required to replace Well Pump 1 with Well Pump 4 within the water system SCADA & Telemetry and automated control system. .

EXCLUSIONS

- EVOLUTION CONTROLS is not responsible for providing or installing any motorized valves solenoid valves or any other equipment or instrumentation not specified above.
- EVOLUTION CONTROLS will not provide piping, tubing, taps, flanges, valves, ball-valves, manifolds, bushings, thermo wells, diaphragms, annular seals, purge assemblies, process connections, mounting brackets, stanchions, supports, mounting pads or fittings between the instrument and the process that are not an integral part of the instruments in our scope. This is provided BY OTHERS.
- EVOLUTION CONTROLS will not be providing labor to mount equipment or instrumentation not detailed above. This is supplied BY OTHERS.
- EVOLUTION CONTROLS will not be providing the cost, if due to local union regulations, to have local labor make adjustments or wiring changes to EVOLUTION CONTROLS supplied equipment.
- EVOLUTION CONTROLS will not be providing any material or services not quoted in our sections.

COMPENSATION

Total cost for above detailed scope is: **\$3,740**

Terms (NET 30):

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- 50% due upon notice to proceed
- 40% due upon substantial completion (Startup & Testing)
- 10% due upon owner acceptance

Thank you for the opportunity to propose on this project.

Sincerely,

Al Friedli
Evolution Controls, LLC

AUTHORIZATION

I accept the above proposal and authorize Evolution Controls to proceed with above scope of work.

Company

Date _____

Signature

Printed Name

Title

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MEMORANDUM

TO: BOARD OF COMMISSIONERS
FROM: MICEAL CARNAHAN, ACCOUNTING AND ADMINISTRATIVE SERVICES MANAGER
SUBJECT: EXECUTIVE DIRECTOR POSITION, BENEFITS
DATE: APRIL 17, 2018
CC: MONT JEFFREYS, GENERAL MANAGER

For the last few weeks I have been researching the District's options for offering and administering benefits to future hires. By virtue of being a governmental entity, the District can take advantage of programs through the State, which, I am told by other water-sewer districts, are much more affordable and beneficial options than those available to the private sector.

I have included two overview sheets which summarize the pertinent information. The first is for insurance benefits options through the Washington State Health Care Authority's Public Employees Benefits Board. The second is for retirement benefits through the Washington State Department of Retirement Systems Public Employees Retirement System. We can discuss these options further at this week's meeting.

I want to point out that, while I believe it is very feasible for the District to hire and offer benefits to employees, one thing I have learned through all of this research is that it will definitely increase the District's administrative and financial burden. It will require adding a human resources component to one of the District's staff, to include payroll processing, tracking vacation and sick leave, benefits coordination and administration, increased reporting, the creation of personnel policies, a larger and more complex annual report to the State Auditor's Office, an increased need for internal controls over payroll and benefits administration, and a greater number of areas which the auditor will want to look at. This is all worth noting so that it can be part of the discussion and consideration.

I have also created a spreadsheet which calculates and manipulate total monthly and annual costs to hire an Executive Director (or any other position), including base salary, taxes, and benefits. I will have the spreadsheet available at the meeting if the Board would like to look at different salary and benefit scenarios for consideration.

Finally, I have sent you the completed Executive Director Job Description Packet for discussion and consideration. Please let me know if you would like me to print out a color copy for you.

Public Employees Benefits Board (PEBB) Insurance Summary

	Subscriber Only	Subscriber & Spouse	Subscriber & Children	Full Family
Option A: Medical/Vision, Dental, Basic Life and AD&D, and LTD Insurance*				
Highest Plan Cost/month	\$ 858.90	\$ 1,572.27	\$ 1,393.93	\$ 2,107.30
Lowest Plan Cost/month	\$ 729.42	\$ 1,307.34	\$ 1,177.44	\$ 1,697.03
Average Plan Cost/month	\$ 778.08	\$ 1,408.25	\$ 1,256.54	\$ 1,863.37
Average Plan Cost/year	\$ 9,336.98	\$ 16,898.95	\$ 15,078.48	\$ 22,360.46

**If an employee waives PEBB medical, employer must still pay \$145.53 each month to PEBB Program and employee must enroll in dental, basic life and AD&D insurance, and LTD insurance.*

Option B: Medical/Vision Only				
Highest Plan Cost/month	\$ 773.26	\$ 1,486.63	\$ 1,308.29	\$ 2,021.66
Lowest Plan Cost/month	\$ 643.78	\$ 1,221.70	\$ 1,091.80	\$ 1,611.39
Average Plan Cost/month	\$ 692.44	\$ 1,322.61	\$ 1,170.90	\$ 1,777.73
Average Plan Cost/year	\$ 8,309.30	\$ 15,871.27	\$ 14,050.80	\$ 21,332.78

For Option A and Option B, the rates for subscriber and child(ren) do not vary based on the number of children enrolled.

Monthly \$25-per-account surcharge applies if subscriber or any family member enrolled in PEBB medical uses tobacco products. Monthly \$50 surcharge applies if subscriber enrolls a spouse in PEBB medical, and the spouse elected not to enroll in other available employer-based group medical that is comparable.

Employer vs. Employee Contribution

The District determines what portion of the rates the employee pays. Many water-sewer districts contribute a set amount with any remaining, unused contribution being deposited into a voluntary employees' beneficiary association (VEBA) health reimbursement arrangement (HRA) account which the employee can use to pay out-of-pocket medical costs (tax-free).

Eligibility

An employee is eligible if he/she is anticipated to work an average of at least 80 hours per month and is anticipated to work for at least 8 hours in each month for more than 6 consecutive months. In accordance with PEBB rules, all eligible employees must be offered coverage.

Other Considerations:

The District can have a representative from PEBB come talk to the Board about their packages, enrollment, the application process, etc.

Application requires determination of whether District is applying for medical/vision only or the full benefits package; a resolution from the Board authorizing the purchase of PEBB insurance; and a signed governmental function attestation affirming that the employees of the District are governmental employees.

Required information and application documents must be received by PEBB Program at least 60 days before the requested coverage date (the 1st of the month).

Exceptions to eligibility requirements and other PEBB Program rules may be requested, but must be approved by the Washington State Health Care Authority.



Public Employees Retirement System (PERS)

Voluntary Social Security Coverage

PERS is a "qualifying retirement system," meaning that it is considered a Social Security replacement plan. Most public employees who are members of a qualifying retirement system cannot participate in Social Security through public employment unless the retirement system group (i.e., the District) is covered by a Section 218 Agreement. The District can obtain voluntary Social Security coverage for PERS members, if desired. The benefit of not having Social Security coverage, is the District and the employee would each save (and keep) 6.2% of the employee salary which would otherwise be contributed to Social Security. The downside is the employee's Social Security benefit may be reduced under the windfall elimination provision.

Membership and the Employee

Once an employee establishes membership in a retirement system, the employee begins to build a future retirement benefit. This benefit is funded by contributions made by the employee, the employer, and the investment earnings from these contributions. The employee chooses between PERS 2 and PERS 3. PERS 2 is a defined benefit plan which is employer financed. Once the member meets the service requirements, this component provides for a lifetime monthly benefit for a member who retires. The amount of the benefit is based on the member's total service credit and their Average Final Compensation (AFC). PERS 3 has the same defined benefit component, as well employee contributions which finance a defined contribution component, providing a tax-deferred investment program.

District Responsibilities

- ~ determining employee's eligibility for membership and enrolling each eligible employee;
- ~ reporting information to Department of Retirement Systems (DRS) about each member;
- ~ transmitting required employer and employee contributions to DRS;

Contributions:

Retirement contributions are always calculated on the employee's reportable compensation. The District can choose whether or not to participate in the deferral of taxes on employee contributions. Deferring federal income taxes on employee contributions entails additional financial responsibility for employers.

The District contributes to the employee's plan at the current rate (12.7%), which is periodically adjusted (increased) by DRS.

Employees on PERS 3 choose from six different employee contribution rate options, ranging from 5% to 15%.

Other Considerations:

All employees will be subject to the mandatory provision of Medicare, regardless of the District's Section 218 status.

Application requires submission of New Employer Questionnaire, and Resolution Authorizing Participation in PERS.