

**HARTSTENE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING  
District Office  
772 E Chesapeake Drive, Shelton, WA 98584  
June 20, 2019 1:00 P.M.**

**AGENDA**

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes of the June 6, 2019 Regular Meeting (2-3)
7. Minutes of the June 13, 2019 Special Meeting (4)

**REPORTS:**

8. Commissioner Reports
9. Financial/Administrative Report:
  - Bills to Be Authorized: Voucher 2019-14
  - Bill(s) Submitted: Voucher 2019-13
  - May 2019 Monthly Financial Report (5-7)
10. General Manager's Report (8-10)

**BUSINESS:**

1. Discuss/Approve Resolution 2019-02
2. Commissioner Position #3 Resignation
3. Review Applicants/Interview Candidates to Fill Vacancy of Commissioner Position #3

**HARTSTENE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING of the BOARD OF COMMISSIONERS  
June 6, 2019  
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 (Clerk) J. Sartori.

**CALL TO ORDER:** The meeting was called to order at 1:03 pm.

**SUBSCRIBER REMARKS:** No subscribers present.

**CORRESPONDENCE:** No correspondence.

**PRESENT AGENDA:** *Commissioner McNabb moved to adopt agenda as presented. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the agenda was adopted as presented.*

**MINUTES:** The minutes of the May 16, 2019 regular meeting were presented. Commissioner Hospador noted his name was misspelled. Commissioner Scarola noted that the action following the executive session should be clearer. *Commissioner McNabb moved to approve the minutes as edited. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as edited.*

**REPORTS:**

**Commissioner Reports:**

- Commissioner McNabb presented a book, "Utilities Security, The New Paradigm"
- Commissioner Scarola discussed his intentions for the future

**Financial/Administrative Report:**

- Bills to Be Authorized:
  - Voucher 2019-12, in the amount of \$10,665.12, was presented. *Commissioner Hospador moved to approve voucher 2019-12 in the amount of \$10,665.12. 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 on present state of the district.

**BUSINESS:**

**Discuss/Approve making Joe fulltime through the end of September to help complete projects and assist in accomplishing field work:** *Commissioner McNabb moved to make Joe Sartori fulltime through the end of September. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion is approved.*

**Discuss and Approve Resolution 2019-01:** District Clerk presented draft Resolution 2019-01. *Commissioner McNabb moved to adopt Resolution 2019-01 "Establishing and Appointing an Internal Auditing Officer." Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, Resolution 2019-01 was adopted.*

**Approve Canceling the July 4<sup>th</sup> Meeting:** *Commissioner Hospador moved to cancel the regular meeting scheduled on 7/4/19, as it is a federal holiday. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the regular meeting on 7/4/19 is canceled.*

*Commissioner Hospador moved to schedule a special meeting on 7/3/19 at 1:00 pm at the District Office. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the meeting is scheduled.*

**Approve Changing Meeting Minutes from March 21<sup>st</sup> Meeting:** *Commissioner Hospador moved to approve the presented correction to minutes of the meeting on 3/21/19. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the correction was approved.*

**Discuss/Approve Well #4 Fence:** *Commissioner McNabb moved to approve building a safety/sound barrier at the Well #4 facility. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

*Commissioner McNabb moved to adjourn the meeting. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 2:50 pm.*

Respectfully Submitted By:

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name and Title*

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

**HARTSTENE POINTE WATER-SEWER DISTRICT  
SPECIAL MEETING of the BOARD OF COMMISSIONERS  
June 13, 2019  
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 (Clerk) J. Sartori.

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

**SUBSCRIBER REMARKS:** One subscriber present. Subscriber asked to make a statement and offered to step in as a commissioner, if needed.

**CORRESPONDENCE:** No correspondence.

**PRESENT AGENDA:** *Commissioner McNabb moved to adopt agenda as presented. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the agenda was adopted as presented.*

**MINUTES:** The minutes of the June 6, 2019 regular meeting were presented. Commissioners tabled approval until the June 20, 2019 regular meeting.

**REPORTS:**

**Commissioner Reports:**

- Commissioner Scarola informed the board that he is resigning his position; his last meeting will be June 20, 2019. He noted that he has enjoyed serving as a commissioner with this board.

**BUSINESS:**

**Discuss Considerations for Upcoming Budget Planning:** GM discussed revision of Capital Improvement Plan with commissioners.

**Reassignment of Officers:** Item has been tabled until a future meeting. Commissioner Scarola notified the board that he is resigning, effective at the regular meeting on June 20, 2019.

*Commissioner Hospador moved to adjourn the meeting. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 2:34 pm.*

Respectfully Submitted By:

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name and Title*

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

Hartstene Pointe Water Sewer District  
 Monthly Financial Report - Fund Activity

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
<b>Reserve Funds</b>					
030 - Ecology Reserve	39,633.74	-	78.40	39,712.14	78.40
050 - DWSRF Loan Reserve	48,740.81	-	7,087.77	55,828.58	7,087.77
060 - Bond Fund	0.00	-	-	0.00	-
070 - USDA Revenue Bond Reserve	26,603.90	-	380.21	26,984.11	380.21
Total Reserve Funds	114,978.45	-	7,546.38	122,524.83	7,546.38
<b>Unreserved Funds</b>					
EFT Account - Columbia Bank	33,800.91	(40,323.69)	37,666.53	31,143.75	(2,657.16)
Petty Cash Account	1,871.84	(896.95)	962.50	1,937.39	65.55
Xpress Deposit Account	14,451.43	(37,272.50)	34,704.25	11,883.18	(2,568.25)
010 - Operating Fund					
<i>Operating Investment Fund</i>	50,000.00	-	-	50,000.00	-
<i>010 - Operating Fund - Other</i>	80,714.70	(68,338.18)	55,551.04	67,927.56	(12,787.14)
Total 010 - Operating Fund	130,714.70	(68,338.18)	55,551.04	117,927.56	(12,787.14)
065 - Capital Project Account	0.00	-	-	0.00	-
Total Unreserved Funds	180,838.88	(146,831.32)	128,884.32	162,891.88	(17,947.00)
<b>Committed Funds</b>					
020 - Water/Sewer Committed Fund					
Asset Replacement Fund	30,540.00	-	-	30,540.00	-
Capital Improvement Fund					
<i>I&amp;I Repair</i>	69,540.00	-	-	69,540.00	-
<i>Reservoir Repair</i>	43,388.51	-	-	43,388.51	-
Total Capital Improvement Fund	112,928.51	-	-	112,928.51	-
Risk Management Fund	123,201.64	-	527.73	123,729.37	527.73
Total 020 - Water/Sewer Committed Fund	266,670.15	-	527.73	267,197.88	527.73
Total Committed Funds	266,670.15	-	527.73	267,197.88	527.73
Total Funds	562,487.48	(146,831.32)	136,958.43	552,614.59	(9,872.89)

I hereby certify that the above statement is true.

District Clerk	Date	Audit Commissioner	Date
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Hartstene Pointe Water Sewer District  
Profit & Loss

May 2019  
May 19

Ordinary Income/Expense

Income

Non-Operating Revenue	850.51
Operating Revenue	<u>51,389.09</u>
Total Income	<u>52,239.60</u>

Expense

534 · Water Expenditures	12,358.22
535 · WW Treatment Expenditures	28,650.17
538 · Combined W/S Expenditures	<u>20,791.43</u>
Total Expense	<u>61,799.82</u>

Net Ordinary Income -9,560.22

Net Income -9,560.22



## Hartstene Pointe Water Sewer District Profit & Loss Budget vs. Actual January through May 2019

	Jan - May 19 (41.6% of Yr)	Total 2019 Budget	\$ Over (Under) Budget	% of Total Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Non-Operating Revenue	8,818.60	10,466.00	-1,647.40	84.26%
Operating Revenue	285,957.49	689,863.00	-403,905.51	41.45%
<b>Total Income</b>	<b>294,776.09</b>	<b>700,329.00</b>	<b>-405,552.91</b>	<b>42.09%</b>
<b>Expense</b>				
534 · Water Expenditures	102,873.33	396,054.00	-293,180.67	25.98%
535 · WW Treatment Expenditures	74,675.29	259,429.00	-184,753.71	28.78%
538 · Combined W/S Expenditures	91,300.33	199,699.00	-108,398.67	45.72%
<b>Total Expense</b>	<b>268,848.95</b>	<b>855,182.00</b>	<b>-586,333.05</b>	<b>31.44%</b>
<b>Net Ordinary Income</b>	<b>25,927.14</b>	<b>-154,853.00</b>		
<b>Net Income</b>	<b>25,927.14</b>	<b>-154,853.00</b>		

**HARTSTENE POINTE WATER-SEWER DISTRICT**  
**General Manager's Report**  
**June 20, 2019**

**Human Resources**

I'm excited to say that I passed both my Water Treatment Plant Operator group 2 and my Water Distribution Manager 2 Examinations. This means that we now have three WDM2's on staff for redundancy purposes.

It has already been proving helpful to have Joe on at temporary full-time status. He's a self-starter and an extremely productive member of this team.

**Asset Management and Sustainability**

I am currently in the process of entering items into our asset management workbook. At this stage we have enough information to utilize this workbook for budgeting purposes.

**Water Distribution**

Currently consumption is between 60,000 and 90,000 gallons per day right now. Currently we are losing close to 40,000 gallons of water per day which is concerning considering that Well 4 has not yet been approved. We suspect that roughly half of that is due to watering and possible leaks. We're wrapping up the meter reads this week which will hopefully reveal where loss is.

**Well 2**

I have nothing new to report at this time as we do not yet have well 4 approved by DOH.

**Well 3**

I have nothing new to report at this time as we do not yet have well 4 approved by DOH.

**Well 4**

Mont and I had a conference call on Friday with Regina Grimm and Scott Pollock from DOH as well as Sean Kanda from RH2 to discuss Well 4's approval. Unfortunately Regina, the Regional Engineer for our area, was unwilling to approve Well 4 as a potable water source. Her reasoning is that the pilot study shows that while our current treatment process is able to bring the arsenic levels down to at or below the Maximum Contaminant Level it does not bring it down far enough to give a sufficient buffer for changes in the raw water arsenic levels. However, she did approve the well for emergency use, which would mean that the District would need to declare a state of draught for the summer months if it desires to use well 4.



### Emergency Preparedness

With our current project schedule we are set to install generators at two of our lift stations throughout June/July/August.

### Waste Water Management

Right now we're averaging between 25,000 and 35,000 gal/day coming into the plant.

### Customer Service

Our Escrow file is officially empty, though we do expect more property sales over the summer.

### General District Business

This is an email that I received from Regina Grimm with the Department of Health following our Conference call regarding Well 4.

*We do not think the pilot study demonstrated reliable removal or a high enough removal rate and we cannot approve the project without that reliability. However, we understand your concerns with meeting peak summer demands. The risk of meeting peak demands is also a health concern and if the system depressurizes because the well pump can't keep up we consider this an immediate health risk. To manage this risk, we recommend the following.*

- *Implement your water shortage response plan and educate your customers about the current situation. Perhaps explain that you have only one well (temporarily), that a drought has been declared for this summer, and if the system runs out of water it risks a boil water advisory.*
- *If the water shortage/conservation measures are not adequate then utilize Well #4 as an emergency source to temporarily meet demands. This should only be done to avoid an imminent water outage, not for convenience of the customers. To activate the source as an emergency you need to make sure there is a current coliform and nitrate sample for the well. I think the last coliform and nitrate sample were collected in 2016.*

*-We recommend exploring if increasing the reaction time will improve the arsenic removal. We agreed to allow piloting Well #4 with the current treatment train at varying flow rates to evaluate this. For expediency, the results can be summarized in an engineer letter that summarizes the testing procedure and results. Some flow rates you may want to explore are 85%, 75%, and 50% flow. How low you can go will depend on the well pump characteristics.*

-You asked if you can pilot test the ferric chloride without having it incorporated into the SCADA system. This is ok with us because the piloting is to waste, not to customer distribution. In order for the treatment to be approved and supplied to the public it must be engineered and there must be the necessary process controls in place to prevent chemical overfeed and backflow incidents.

-You asked if you have to pilot varying locations for the ferric chloride injection to find the optimal location within the treatment train. This is a good idea for optimization, but we are concerned at the moment with ensuring the reliability and adequate removal of the arsenic. Optimization can be addressed at a later time.

-We would like to see the treatment reliably achieve 8 ug/L. This is so that there is some leeway. If the treatment is barely meeting the MCL then more than likely the water quality will periodically exceed. This is not acceptable and will lead to water quality violations.

*Submitted by David Carnahan, General Manager*