

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

District Office

772 Chesapeake Dr., Shelton, WA 98584

August 25, 2016 1:00 P.M.

AGENDA

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

REPORTS:

7. Commissioner Reports
8. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2016-25
9. Manager's Report

BUSINESS:

10. Water Treatment Project Contract and Notice to Proceed
11. Well 1 Drilling Quotes, Contract Award
12. Pressure Reducing Valve Replacement Quotes, Contract Award
13. Arsenic Notice
14. Purchasing Manual
15. Newsletter Draft

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
August 11, 2016
District Office 772 Chesapeake Dr., Shelton, WA 98584**

MINUTES

PRESENT: President M.A. Cary, Commissioner D. McNabb, Accounting and Administrative Services Manager (AAS) M. Carnahan, General Manager (GM) M. Jeffreys. Secretary A. Hospador was granted an excused absence.

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

SUBSCRIBER REMARKS: No subscribers present.

CORRESPONDENCE:

- FROM: New owners of 688 E Portage RE: Purchase of property at auction, request to have water turned on, and water/sewer fees due on the property
- FROM: Dave Dougherty, Dept. of Ecology RE: Wastewater Treatment Plant Visit Official Report

PRESENT AGENDA: The agenda for the August 11, 2016 regular meeting was presented. GM requested the addition of Composite Sampler Purchase under Business. *Commissioner McNabb moved to approve the agenda as amended. President Cary seconded. Hearing no objections, the amended agenda was approved.*

MINUTES: The minutes for the July 28, 2016 regular meeting were presented. *Commissioner McNabb moved to approve the minutes as presented. President Cary seconded. Hearing no objection, the minutes were approved.* Commissioner McNabb signed the minutes on behalf of Secretary Hospador who was absent.

REPORTS:

Commissioner Reports: No reports.

Financial/Administrative Report:

- Bills to Be Authorized:
 - Early Voucher 2016-23, in the amount of \$22,128.91, was presented. *President Cary moved to approve the voucher. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the voucher was approved.*
 - Voucher 2016-24, in the amount of \$6,186.69, was presented. *President Cary moved to approve the voucher. Commissioner McNabb seconded. Hearing 2 aye votes and 0 nay votes, the voucher was approved.*

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

BUSINESS:

Composite Sampler Purchase: The Wastewater Treatment Operator (WWTPO) was able to make one operating composite sampler from the components of the District's two non-operating samplers, so the District now has one good sampler. The plant needs two operating samplers to be in compliance. The WWTPO obtained three quotes for a new all-weather composite sampler. The low bid is from HACH for \$6,132.34 including tax and shipping. *Commissioner McNabb moved to approve the purchase of the all-weather composite sampler from HACH for \$6,132.34. President seconded. Hearing 2 ayes and 0 nays, the purchase was approved.*

Water Treatment Project Funding: The Drinking Water State Revolving Fund has additional funds available. The GM and AAS submitted a request to the Department of Health for an additional \$192,000 under to the District's DWSRF loan.

Well 1 Replacement:

- Drilling Quotes, Contract Award: The District received one quote from Tacoma Pump & Drilling Co., Inc. for \$67,948.70 for a 10-inch screen and natural completion, \$68,122.30 for a 6-inch screen and filter-pack. *Commissioner McNabb moved to reject the bid received for the Well 1 Replacement Drilling and Testing. President Cary seconded. Hearing no objections, the motion passed. Commissioner McNabb moved to re-solicit bids from the Small Works Roster for Well 1 Replacement Drilling and Testing. President Cary seconded. Hearing no objections, the motion passed.*
- Equipping Estimate: RH2 provided a revised equipping estimate for the Well 1 Replacement project, but the GM still feels it is vastly over-inflated. He plans to do his own work to get the required information to get a more realistic quote.

Pressure Reducing Valve Replacement Quotes, Contract Award: The District solicited quotes from 10 contractors on the small works roster, but did not receive any quotes. *Commissioner McNabb moved to re-solicit bids for the Pressure Reducing Valve Replacement. President Cary seconded. Hearing no objections, the motion passed.*

Outfall: A concerned resident recorded a video taken around the Outfall line during a very low tide. The resident sent the video to another resident who then sent it to the GM and the HPMA general manager. The GM will visually inspect the outfall line at the next daylight low tide. The commissioners and GM expressed their desire that residents contact the District directly with water, sewer, and wastewater related questions or concerns.

Sanitary Survey: GM presented the Sanitary Survey Report from the Department of Health. The report was discussed.

Evolution Controls Contract Amendment, Extending Agreement: *Commissioner McNabb moved to extend the District's agreement with Evolution Controls for SCADA/Telemetry services. President Cary seconded. Hearing no objections, the motion passed.* The GM will work to negotiate the updated rate schedule.

Newsletter Topics:

- Commissioner's Appeal: Please call the District directly with questions or concerns.
- New WWTP Operator

- Water Treatment Plant Improvements Project Progress Report
- Well 1 Replacement Update

Budget Meeting Schedule: The AAS prepared a proposed 2017 Budget Meeting Schedule:

- October 13 Regular Meeting: Discuss 2016 3rd quarter financial report; discuss five year Capital Improvement Plan and Asset Replacement Plan; review regular contracts and contract amounts.
- October 27 Regular Meeting: GM and AAS present Preliminary 2017 Budget
- November 3 Special Meeting, 10:00 am: Budget Work Session to prepare Proposed 2017 Budget
- November 10 Regular Meeting: Make final adjustments to Proposed 2017 Budget; plan Annual Meeting/2017 Budget Hearing
- November 12 Special Meeting, 10:00 am: Annual Meeting/2017 Budget Hearing
- November 17 Special Meeting, 1:00 pm: Review and prepare response to comments/questions received at the Annual Meeting/Budget Hearing; Adopt Final 2017 Budget
- November 30: County's due date for submission of Final 2017 Budget

Meeting adjourned at 3:45 pm.

Respectfully Submitted By:

Signature

Printed Name and Title

Approved at the Regular Meeting of the Board on: _____

MEMORANDUM

TO: BOARD OF COMMISSIONERS
FROM: MICEAL CARNAHAN, ACCOUNTING AND ADMINISTRATIVE SERVICES MANAGER
SUBJECT: PURCHASING MANUAL; SECTIONS 5 THROUGH 10
DATE: AUGUST 22, 2016
CC: MONT JEFFREYS, GENERAL MANAGER

You now have the completed proposed Purchasing Manual. At this week's meeting we will be discussing the remaining sections 5 through 10. I would like to draw your attention specifically to sections 9 and 10.

Section 9 covers contracting for professional services, such as engineering. State law requires that professional services consultants be selected based on their qualifications, and price may not be a consideration until negotiating a contract. Section 9 outlines the two methods by which the District may select a professional services contractor: (1) Publishing an announcement on each occasion when professional services provided by a consultant are required by the agency; (2) announcing generally to the public its projected requirements for any category or type of professional services (Contract from MRSC Consultant Roster). Questions to consider as you read through Section 9:

1. Should the District utilize only one of these methods, or should we utilize both methods under specific circumstances based on the estimated fee for the proposed project (as it states in the proposed policy).
2. If the District should utilize both methods, how should we determine when to use each? Should it be based on the fee estimate for the project (as in the proposed policy) or based on different criteria?
3. If the method is determined by the fee estimate, what should be the fee limits for each method?
 - a. For reference, here is a breakdown of the engineering contract amounts for the District's recent projects:
 - i. Water Treatment Plant Improvements: \$178,276 (not including services during construction, yet to be contracted)
 - ii. Well 1 Replacement – Drilling and Testing Support: \$11,140
 - iii. WWTF Disinfection System Upgrades Engineering Report: \$9,983
 - iv. Waste Activated Sludge Pump: \$31,303
 - v. WWTP Headworks: \$90,290
 - vi. Booster Pump Project: \$75,057

Section 10 covers contracting for personal and purchased services. Personal services involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work, and the activity or product is mostly intellectual in nature (accounting, rate studies, legal services, environmental studies, SCADA programming, etc.). These do not include professional services procured using the competitive selection requirements in Section 9.

Purchased services are labor, time and effort provided by an independent contractor for routine, necessary, and continuing functions of the District (water and wastewater operators, computer maintenance, security, printing, etc.). These services are repetitive, routine, or mechanical in nature.

There are no statutory requirements regulating purchases of personal and purchased services by the District. This section seeks to establish District policy regarding procurement for these services. Here are some questions to consider as you read through Section 10:

1. Should multiple quotes and contracts be required for all of these types of work, only for projects over a certain dollar amount, or only encouraged?
2. If multiple quotes are to be required, how many need to be obtained? Do they need to be written or can they be obtained over the phone?
3. If we want to adopt dollar thresholds for differing bidding and contracting requirements for these services, what should they be? For ongoing contracts, should we specify that the threshold applies to annual amounts, or should the requirements be different?

Please also review Sections 5-8. These are basically just adopting state law as District policy, but it's good to have an understanding of our requirements. Also, each section of the purchasing manual gives an overview of the District's purchasing regulatory requirements, as well as the applicable RCWs. Please take some time to study the supplied sections of the proposed manual and the accompanying RCWs (available online), as I believe it is helpful and important to have an understanding of the District's requirements. These are the items at which the auditor looks most during our accountability audits, and it is the responsibility of the Board of Commissioners to make sure the District has policies and procedures in place to ensure the District operates within state law.

If you have any questions about the proposed manual, the District's requirements, etc., please let me know.