

**HARTSTONE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
November 15, 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 November 1, 2018 Regular Meeting (2-3)
7. Minutes of the November 8, 2018 Budget Work Session (4)
8. Minutes of the November 10, 2018 Budget Hearing (5-7)

REPORTS:

9. Commissioner Reports
10. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2018-22
 - October Financial Report
11. General Manager's Report (8-9)

BUSINESS:

12. Recap of Annual Meeting
13. Resolution 2018-13 Adopting the 2019 Budget (10)
14. Resolution 2018-14 Adopting a District Fee Schedule for 2019 (Repeals Resolution 2017-05) (11-12)

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
November 1, 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 1:00 pm.

SUBSCRIBER REMARKS: Two subscriber present.

CORRESPONDENCE: No Correspondence

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

MINUTES: The minutes of the October 18, 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.*

The minutes of the October 25, 2018 Budget Work Session meeting were presented. *Commissioner Hospador moved to approve the minutes as presented. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as presented.*

REPORTS:

Commissioner Reports:

- Commissioner McNabb presented an article, "Most Water Utilities Are In the Red, Study Finds."
- Commissioner Hospador noted a new item broadcasted regarding vandalism at water utility at Sallal Water Association.
- Commissioner Scarola presented an article, "Public Works Board Requests Your Assistance."

Financial/Administrative Report:

- Bills to Be Authorized:
 - Voucher 2018-21, in the amount of \$19,191.72, was presented. *Commissioner Hospador moved to approve voucher 2018-21 in the amount of \$19,191.72. 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:

Approval of Attorney Contract: *Commissioner Hospador moved to approve the contract with Joe Rehberger at terms previously approved by the board of commissioners. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the contract was approved.*

Approval of RH2's New Proposal: *Commissioner McNabb moved to approve the new proposal sent by RH2. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the new proposal was approved.*

Commissioner Scarola called for a recess at 2:15 pm. The meeting reconvened at 2:25 pm.

Approval of Updates to 2019 Proposed Budget. No action needed.

Approval of Miceal Carnahan's Proposed Hours for November 2018: *Commissioner Hospador moved to approve consulting hours. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the consulting hours were approved.*

Approval of Salary Increase for General Manager: *Commissioner Hospador moved to increase the general manager's salary to be set at \$62,500 for contract year 2019. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the salary increase was approved.*

Approval Funds Policy Update: *Commissioner McNabb moved to adopt the updated funds policy. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the funds policy was updated.*

Commissioner McNabb moved to adjourn the meeting. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 2:30 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
November 8, 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 1:00 pm.

SUBSCRIBER REMARKS: One subscriber present.

CORRESPONDENCE: No Correspondence

PRESENT AGENDA: No agenda.

MINUTES: No minutes.

REPORTS:

Commissioner Reports:

- No commissioner reports.

Financial/Administrative Report:

- No financial/administrative reports.

General Manager's Report: No general manager report.

Proposed Budget Presentation: The general manager gave his presentation for the proposed budget hearing. The commissioners gave feedback.

Commissioner McNabb moved to adjourn meeting. Commissioner Scarola seconded. Hearing 2 aye votes and 0 nay votes, the meeting adjourned at 2:00 pm.

Respectfully Submitted By:

Signature

Name and Title

Approved at the Regular Meeting of the Board on: _____

**HARTSTENE POINTE WATER-SEWER DISTRICT
BUDGET HEARING of the BOARD OF COMMISSIONERS
November 10, 2018
HPMA Clubhouse, 202 E Pointes Drive East, Shelton, WA 98584**

MINUTES

PRESENT: President R. Scarola, Commissioner D. McNabb, General Manager (GM) D. Carnahan, Accounting and Administrative Services Manager (AAS) M. Carnahan, District Clerk J. Sartori. Commissioner Hospador excused absence. Mont Jeffreys, Water Treatment Operator and Jeffery Palmer, Wastewater Treatment Plant Operator present.

CALL TO ORDER: The meeting was called to order at 10:03 am.

SUBSCRIBER REMARKS: 18 subscribers present.

CORRESPONDENCE: No Correspondence

PRESENT AGENDA: No agenda.

MINUTES: No minutes.

REPORTS:

Commissioner Reports:

- No commissioner reports.

Financial/Administrative Report:

- No financial/administrative reports.

General Manager's Report: No general manager report.

2019 Budget Presentation: The general manager gave his 2019 Budget Proposal presentation.

Subscriber asked about contract labor being replaced by employees and how this would affect operations. GM addressed this in his presentation.

Jeffery Palmer informed subscribers of district's Inflow and Infiltration (I&I) issues.

Subscriber asked about how sewer lines will be fixed or replaced. GM informed subscribers that sewer lines will be fixed on a case by case basis, ideally addressing most critical lines first.

Subscriber asked if worst places were identified for I&I. GM responded that district already has investigated the worst leaks with camera equipment owned by the district.

Subscriber asked if some lines were incorrectly plumbed initially. GM responded that a smoke study found problems with clean-out caps, which were fixed.

GM concluded his presentation

Commissioner Scarola opened the meeting for additional questions and comments from subscribers.

Subscriber asked about district's loans and when they will be paid. Miceal gave these figures:

- Department of Ecology loan to install outflow pipe into Puget Sound, loan to be paid off in 2022 at \$38,000/year (principal plus interest)
- USDA loan to install booster pumps and meters, loan to be paid off in 2032 at \$40,000/year at 2.57% interest
- DWSRF loan to upgrade treatment facilities, to be paid off in 2036 at \$83,000/year at 1.5% interest
- Total loans are 24% of annual revenue.

Subscriber asked what percentage of lots were full-time residents. Miceal responded that an estimated 30% of residents are full-time. Subscriber asked if district should charge based on water usage. GM responded that the districts costs are fixed, regardless of usage or time-frame of residency. Commissioner Scarola and Miceal also added that 95% of the costs associated with managing the infrastructure are not changed because of usage. Another subscriber added that both full-time and part-time residents need the infrastructure in place. Another subscriber indicated she was a summer resident and said she would rather be billed based on usage.

Subscriber asked about the San Juan water table drop. Mont responded that our island water table does not fluctuate. Subscriber asked about other utility lines in trenches when sewer lines are being fixed. GM responded that locates and camera equipment will prevent damage to existing underground resources.

Subscriber suggested we approve budget as presented.

Subscriber asked where revenues match proposed budget. Miceal responded that some of the budget is provided for by existing reserves.

Subscriber asked how this was sustainable. Miceal pointed out that the Capital Improvement Plan (CIP) set aside funds for one-time major projects.

Subscriber asked what the total CIP reserves. Miceal informed:

- There are sub funds and committed funds. \$9,000 is set aside for asset replacement, per USDA requirement.
- There is a sub fund for repairs related to I&I.
- \$70,000 is earmarked for CIP equipment to address I&I and leak repairs.
- Funds for repairing reservoir were re-allocated, as repairs are no longer anticipated until 2023.
- Risk management fund for emergencies, expected to be at \$200,000 by 2025.

Subscriber asked why we don't have excavation equipment if we plan to repair/replace sewer lines. GM noted that such equipment is included in the budget as part of the CIP.

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Subscriber asked if there is an impact on the district's need for space to accommodate the additional staff and equipment. GM responded that the district is looking at the space at the reservoir for storing equipment and that the highest priority is dealing with the needs expressed. He also indicated that the district is looking at the space needs moving forward.

Commissioner McNabb moved to adjourn meeting. Commissioner Scarola seconded. Hearing 2 aye votes and 0 nay votes, the meeting adjourned at 11:40 am.

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 15, 2018

Human Resources

Jeff Palmer passed his Group 1 Water Treatment Plant Operator Examination on Tuesday the 13 of November. He can now make process control changes at the water treatment facilities without direct supervision.

Mont and I were both approved to take our WW exams. Mont is working on scheduling his. I have scheduled my exam for January 30th.

Joe continues to impress both Miceal and me with his work ethic and devotion to excellence.

Water

Average daily usage continues to hover around 55,000 gallons per day. Mont and I suspect that there is a leak out there that we have not been able to locate yet. We'll be reading meters in a few weeks. However, we hope to locate it before the read.

I have an update as well as a few possible courses of action that we can take on the tree removal at Well 2.

Joe Rehberger did a lot of research and determined that the language in our deed, describing the easements that we possess on lots 201 and 202 is very broad and that it does give us the dominant right to the land surrounding our wells. We discussed three possible courses of action: 1) We simply remove the tree. (This approach is defensible and appropriate considering the law regarding Dominant and Servient Estate.); 2) Speak to HPMA and let them know that we will be removing the tree and that they are more than welcome to follow their own policy in regard to tree removal and post a permit on the tree. However, we intend to remove the tree either way. (This approach is a little more palatable to me especially since it's *all of our desire* to maintain a good working relationship with HPMA and it will still allow them to keep the homeowners happy.); 3) We petition HPMA to insist that because of the tree's location to the well site they label it a hazard tree remove it promptly. (Not my favorite option, but would still be an acceptable approach.) Note: it is our duty and our right to maintain the easement described in our deed and not the duty nor the right of HPMA to do so.

Well 1/4 Replacement

This project is underway and right on schedule.

Emergency Preparedness

No new updates yet, but I am still working on it.

Sewer Collection

I&I season has arrived. We should expect flow totals to rise along with Jeff's stress level.

As soon as the budget is approved I'll begin researching excavators to find the best possible option based on dig depths and maneuverability.

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.

We were able to get the data collection online so that both Jeff and Mont could have their weekends back.

Customer Service

Nothing to report.

General District Business

Overall the budget hearing was a huge success! We received some excellent feedback as well as some great questions.

Submitted by David Carnahan

HARTSTENE POINTE WATER-SEWER DISTRICT
MASON COUNTY, WASHINGTON

RESOLUTION 2018-13

A RESOLUTION OF THE
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS
ADOPTING THE 2019 BUDGET

WHEREAS, Hartstene Pointe Water-Sewer District is a special purpose district, governed by Title 57 of the Revised Code of Washington; and

WHEREAS, the District Commissioners held a public hearing on the proposed 2019 Budget on November 10, 2018 and heard testimony at said hearing; and

WHEREAS, the Hartstene Pointe Water-Sewer District provided public notice of its intent to adopt a 2019 Budget; and

WHEREAS, the District Commissioners determined the proposed 2019 Budget included expenditure limitations to allow prudent operation of the water, waste water collection, and waste water treatment systems, payment on the District's annual debt service, and funding for scheduled capital outlay projects; and

WHEREAS, the estimated revenues of the District in 2019 plus the estimated 2019 starting fund balance of are adequate to fund 2019 expenditures;

THEREFORE, The Board of Commissioners of the Hartstene Pointe Water-Sewer District hereby resolves:

To adopt the enclosed Budget for the period of January 1, 2019 through December 31, 2019 for the Hartstene Pointe Water-Sewer District.

ADOPTED by the District Board of Commissioners at its scheduled meeting on November 15, 2018.

Hartstene Pointe Water-Sewer District
Mason County, Washington

Robert Scarola, President

David McNabb, Commissioner

Andrew Hospador, Commissioner

**HARTSTENE POINTE WATER-SEWER DISTRICT
MASON COUNTY, WASHINGTON**

RESOLUTION 2018-14

**A RESOLUTION OF THE
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS
ADOPTING A DISTRICT FEE SCHEDULE FOR 2018**

WHEREAS, Hartstene Pointe Water-Sewer District is a special purpose district, governed by Title 57 of the Revised Code of Washington; and

WHEREAS, RCW 57.08 authorizes the commissioners of any district to provide for revenues by fixing rates and charges for furnishing sewer and drainage service and facilities to those to whom service is available or for providing water, such rates and charges to be fixed as deemed necessary by the commissioners; now

THEREFORE, The Board of Commissioners of the Hartstene Pointe Water-Sewer District hereby resolves:

1. As of January 1, 2019, to repeal Resolution 2017-05.
2. As of January 1, 2019, fees will be charged according to the following schedule, which shall supersede any previously adopted fee schedule.

Water Fees

Residential water connection monthly fee	\$66.90
Non-Residential water connection monthly fee	\$66.90
Prepaid Connection Lot/Connected Lot water monthly fee	\$28.35
Water Capital Facilities Charge	\$3,490.00
Meter Installation Connection Fee	\$550.00
Pre-Installed Meter Connection Fee	\$250.00

Sewer Fees

Residential sewer connection monthly fee	\$61.85
Non-Residential sewer connection monthly fee	\$61.85
Prepaid Connection Lot/Connected Lot sewer monthly fee	\$25.25
Sewer Capital Facilities Charge	\$3,810.00
Sewer Connection Fee	\$250.00

Miscellaneous Fees

Water/Sewer System Tampering	\$500.00
Billing Late Fee	10%
Returned Checks and eChecks	\$40.00
Certified Mail Fee	\$10.00
Water Shut-off Notice	\$20.00
Water Turn-on for delinquent accounts	\$40.00
Water Turn-on for delinquent accounts after hours	\$180.00

(4)

Meter Testing (if meter is not faulty)	\$22.50
Hydrant Meter Damage Deposit	\$1,000
Hydrant Meter Rental (per week)	\$25.00
Unauthorized Use/Tampering, Minimal Impact to Public Health (Examples include cutting District locks, damaging meters, unauthorized taking of water, etc.)	\$500.00 plus cost of repair
Unauthorized Use/Tampering, Potential Impact to Public Health (Examples include creating a backflow that violates the cross connection program, injecting any unauthorized substance into the water system, vandalism of any pump, well, or tank, etc.)	\$1,000.00 plus cost of repair
Lien Fee	\$128.00
New Account Fee	\$20.00
Escrow Fee	\$25.00
Copies (black and white)	\$0.15 each
Records on disk	\$0.40 each
Damage to Water/Sewer System or District Equipment*	Time and Materials (\$100 min.)

*In the event of damage to the water or sewer system due to construction without a locate request, tampering, misuse, or negligence will be repaired by a District contractor and billed to the responsible property owner.

ADOPTED by the District Board of Commissioners at its scheduled meeting on this 15th day of November, 2018.

Hartstene Pointe Water-Sewer District
Mason County, Washington

Robert Scarola, President

David McNabb, Commissioner

Andrew Hospador, Commissioner