

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
CONDUCTED VIA TELECONFERENCE
Per State of Emergency Declared in Washington State and Mason County
April 15, 2021 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes of the April 1, 2021 Regular Meeting (2-3)
7. Minutes of the April 8, 2021 Special Meeting (4-5)

REPORTS:

8. Commissioner Reports
9. Water Board Bible: Chapter Two
10. Financial/Administrative Report:
 - Bills to Be Authorized:
 - Voucher 2021-15
 - Bills to Be Reviewed:
 - Voucher 2021-14
 - Monthly Financial Report (6-7)
11. General Manager Update

BUSINESS:

12. Discuss/Approve GM Contract (8-14)

As per the State of Emergency, the district's Open Public Meetings will be held via teleconference. Until further notice, meetings WILL NOT be held at the District office.

To join a meeting, follow the instructions below:

1. Call (425) 436-6260 or (800) 719-6100
2. Enter Access Code 535 9093 #

If you have a webcam-enabled computer, you may try to connect to the meeting using the link below:

<https://hello.freeconference.com/conf/call/5359093>

Note: Due to limited internet connection speeds at Hartstene Pointe, joining meetings via webcam may lead to reduced quality

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS**

April 1, 2021

Conducted Via Teleconference

Per State of Emergency Declared in Washington State and Mason County

MINUTES

PRESENT: Secretary S. Swart, Audit Commissioner A. Hospador, General Manager (GM) D. Carnahan, Project & Accounts Manager (PM) J. Sartori. President E. J. Anderson absent. Commissioner Hospador chaired the meeting.

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

SUBSCRIBER REMARKS: None

CORRESPONDENCE: PM noted outgoing correspondence regarding rate classification

PRESENT AGENDA: *Commissioner Swart moved to adopt the agenda. Commissioner Hospador seconded.* PM requested to add to the Financial/Administrative Report: Monthly Billing Report. *Hearing 2 aye votes and 0 nay votes, the agenda was adopted with the amendment.*

MINUTES: The minutes of the March 18, 2021 regular meeting were presented. *Commissioner Hospador moved to approve the minutes as presented. Commissioner Swart seconded. Hearing 2 aye votes and 0 nay votes, the minutes were approved.*

The minutes of the March 27, 2021 special meeting were presented. *Commissioner Hospador moved to approve the minutes as presented. Commissioner Swart seconded. Hearing 2 aye votes and 0 nay votes, the minutes were approved.*

REPORTS:

Commissioner Reports:

- Commissioner Swart suggested promoting “Fix a Leak” week in March next year
- Commissioner Swart shared a *Water Online* article regarding the perception the general public has about water
- Commissioner Hospador noted that water is now needed more for various industries

Financial/Administrative Report:

- Bills to Be Authorized:
 - Voucher 2021-13, in the amount of \$8,119.71, was presented in full. *Commissioner Hospador moved to approve voucher 2021-13 in the amount of \$8,119.71. Commissioner Swart seconded. Hearing 2 aye votes and 0 nay votes, the voucher was approved.*
- Bills to Be Reviewed: PM presented voucher 2021-12 for review
- Monthly Financial Report: PM presented the financial report for February 2021
- Monthly Billing Report: PM presented the billing report for April 2021

BUSINESS:

Determine a Timeline for Filling Upcoming GM Vacancy and Decide whether to Hire Internally or Advertise: Commissioners discussed options for filling vacancy. *Commissioner Hospador moved to advertise internally to fill vacancy and accept letters of interest/resumes. Commissioner Swart seconded. Hearing 2 aye votes and 0 nay votes, the motion is approved.*

Create an Agenda for Upcoming Special Meeting (“Board Retreat”): *Commissioner Swart moved to adopt agenda for the 4/8/21 special meeting. Commissioner Hospador seconded. Hearing 2 aye votes and 0 nay votes, the agenda is adopted.*

Commissioner Swart moved to adjourn the meeting. Commissioner Hospador seconded. Hearing 2 aye votes and 0 nay votes, the meeting adjourned at 2:02 pm.

Respectfully Submitted By:

Signature

Stacy Swart, Secretary, Commissioner #3
Name and Title

Approved at the Regular Meeting of the Board on: 4-1-2021

**HARTSTENE POINTE WATER-SEWER DISTRICT
SPECIAL MEETING of the BOARD OF COMMISSIONERS
April 8, 2021
119 E LIBERTY ROAD SHELTON WA 98584
Conducted Via Teleconference
Per State of Emergency Declared in Washington State and Mason County**

MINUTES

PRESENT: President E. J. Anderson, Secretary S. Swart, Audit Commissioner A. Hospador, General Manager (GM) D. Carnahan, Wastewater Treatment Plant Operator (WWTPO) J. Palmer, Water Distribution Manager (WDM) L. Determan.

CALL TO ORDER: The meeting was called to order at 10:25 am.

SUBSCRIBER REMARKS: Commissioner Anderson mentioned that a rate payer really appreciated the presentation at the 3/27/21 special meeting with HPMA. Commissioner Hospador noted that water pressure fluctuates at his residence.

CORRESPONDENCE: Commissioner Swart received a message from a rate payer who was confused about the newsletter and the GM's resignation.

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

REPORTS: Commissioner Anderson mentioned that peracetic acid could be used to treat effluent wastewater.

BUSINESS:

Emergency Preparedness, Finalize Continuity of Government (COG): *Commissioner Swart move to finalize COG. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the COG was adopted.*

Interview Candidate for General Manager: *Commissioner Hospador moved to move into contract negotiations with WWTPO for the position of General Manager. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the board of commissioners will begin contract negotiations.*

Discuss Blended Rate Implementation Plan: *Commissioner Hospador moved to discuss plan. Commissioner Swart seconded. Commissioners discussed plan and tabled the vote.*

Allocate Funds from "Asset Replacement Fund" to Purchase New Meters: As the reading equipment is showing signs of imminent failure and procuring replacement parts is no longer possible, commissioners discussed expediting installation of new water meters. *Commissioner Anderson moved to allocate up to \$40,000 from fund to purchase 200 new meters. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passes.*

Discuss Later Replacement Plan: Commissioners tabled this business item.

Commissioner Hospador moved to adjourn the meeting. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 2:54 pm.

Respectfully Submitted By:

Signature

Stacy Swart, Secretary, Commissioner #3

Name and Title

Approved at the Regular Meeting of the Board on: 4-15-2021

Hartstene Pointe Water Sewer District Monthly Financial Report - Fund Activity

March 2021

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
Reserve Funds					
030 - Ecology Reserve	40,520.46	-	3.98	40,524.44	3.98
050 - DWSRF Loan Reserve	33,992.62	-	6,781.30	40,773.92	6,781.30
060 - Bond Fund	0.00	(19,665.00)	19,665.00	0.00	-
070 - USDA Revenue Bond Reserve	34,450.98	-	331.13	34,782.11	331.13
Total Reserve Funds	108,964.06	(19,665.00)	26,781.41	116,080.47	7,116.41
Unreserved Funds					
EFT Account - Columbia Bank	52,884.76	(74,909.66)	53,151.51	31,126.61	(21,758.15)
Petty Cash Account	1,975.26	(860.52)	477.69	1,592.43	(382.83)
Xpress Deposit Account	11,773.45	(54,334.15)	46,894.59	4,333.89	(7,439.56)
010 - Operating Fund					
<i>Operating Investment Fund</i>	50,000.00	-	-	50,000.00	-
<i>010 - Operating Fund - Other</i>	48,930.10	(77,465.18)	114,132.76	85,597.68	36,667.58
Total 010 - Operating Fund	98,930.10	(77,465.18)	114,132.76	135,597.68	36,667.58
065 - Capital Project Account	0.00	-	-	0.00	-
Total Unreserved Funds	165,563.57	(207,569.51)	214,656.55	172,650.61	7,087.04
Committed Funds					
020 - Water/Sewer Committed Fund					
Asset Replacement Fund	48,540.00	-	-	48,540.00	-
Capital Improvement Fund					
<i>I&I Repair</i>	80,617.25	-	-	80,617.25	-
<i>Reservoir Repair</i>	56,714.95	-	13,326.44	70,041.39	13,326.44
Total Capital Improvement Fund	137,332.20	-	13,326.44	150,658.64	13,326.44
Risk Management Fund	139,587.12	-	31.97	139,619.09	31.97
Total 020 - Water/Sewer Committed Fund	325,459.32	-	13,358.41	338,817.73	13,358.41
Total Committed Funds	325,459.32	-	13,358.41	338,817.73	13,358.41
Total Funds	599,986.95	(227,234.51)	254,796.37	627,548.81	27,561.86

I hereby certify that the above statement is true.

Project & Accounts Manager

Date

Audit Commissioner

Date

**Hartstene Pointe Water Sewer District
 Profit & Loss Budget vs. Actual
 January through March 2021**

	<u>Profit & Loss</u>	<u>Budget v Actual</u>			
	<u>Mar 21</u>	<u>Jan - Mar '21 (25% of Yr)</u>	<u>Total 2021 Budget</u>	<u>\$ Over (Under) Budget</u>	<u>% of Total Budget</u>
Ordinary Income/Expense					
Income					
Non-Operating Revenue	7,347.43	38,460.00	10,735.00	27,725.00	358.27%
Operating Revenue	77,473.60	212,812.09	846,186.00	-633,373.91	25.15%
Total Income	84,821.03	251,272.09	856,921.00	-605,648.91	29.32%
Expense					
534 - Water Expenditures	28,328.96	45,611.83	262,731.00	-217,119.17	17.36%
535 - WW Treatment Expenditures	10,980.02	46,654.51	311,827.00	-265,172.49	14.96%
538 - Combined W/S Expenditures	17,720.07	69,035.50	313,840.00	-244,804.50	22.0%
Total Expense	57,029.05	161,301.84	888,398.00	-727,096.16	18.16%
Net Ordinary Income	27,791.98	89,970.25	-31,477.00		
Net Income	<u>27,791.98</u>	<u>89,970.25</u>	<u>-31,477.00</u>		



HARTSTENE POINTE WATER-SEWER DISTRICT

GENERAL MANAGER CONTRACT

CONTRACT INDEX

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ARTICLE VI -	SICKNESS COVERAGE
ARTICLE VII -	JURY DUTY
ARTICLE VIII -	RETIREMENT PLAN
ARTICLE IX -	BEREAVEMENT LEAVE
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ARTICLE XI -	MEDICAL/DENTAL, VISION PROGRAMS
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ARTICLE XVI -	TERM of CONTRACT
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AGREEMENT between **HARTSTENE POINTE**
WATER-SEWER DISTRICT
and
JEFFERY PALMER, GENERAL MANAGER

This Agreement is effective as of **May 1, 2020** between the Hartstene Pointe Water-Sewer District, hereinafter referred to as the "District" or "Employer", and JEFFERY PALMER hereinafter referred to as the "General Manager" or "Manager". The General Manager of the District shall serve as the District's chief administrative employee, shall be in charge of the District's daily operations, shall perform the duties and fulfill the functions set forth in the General Manager's job description, and shall perform such other legally permissible and proper duties and functions as the Board of Commissioners of the District may assign. It is the intent and purpose of this Contract to assure sound and mutually beneficial working and economic relations between the parties hereto, to provide an orderly and peaceful means of resolving conflicts that may arise, and to set forth herein the basic and full agreement between the parties concerning salary, benefits, and other conditions of employment. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Commissioners of the Hartstene Pointe Water-Sewer District to terminate the General Manager at will.

ARTICLE I - NON-DISCRIMINATION

1.1 The District and the General Manager agree to comply with equal opportunity employment and not to discriminate against customers, employees, or applicants for employment or applicant for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training; rendition of services. The District and the General Manager further agree to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The General Manager understands and agrees that if he violates this nondiscrimination provision, this agreement may be terminated, and further that the General Manager will be barred from performing any services for the District now or in the future, unless a showing is made satisfactory to the District that discriminatory practices have been terminated and that recurrence of such action is unlikely.

ARTICLE II - DUTIES AND AUTHORITY OF THE GENERAL MANAGER

2.1 It shall be the duty of the General Manager to further the mission of the District in providing quality water and sewer service within the District's service area at justifiable costs.

2.2 The duties of the General Manager shall include, but not be limited to the following: to hire, supervise, evaluate, promote, and discharge staff; to improve operational efficiency, effectiveness, and safety; to determine work schedules; to engage in field work as necessary to keep all systems operational; to formulate and implement a budget; to oversee all aspects of the District's operations, including finance, data processing, water and sewer, and customer services. The General Manager shall report to the Board of Commissioners in a complete and timely manner and seek advice and consent on significant issues and decisions.

2.3 The General Manager shall have day-to-day authority to manage and operate the District except as may be limited by express provision of the Agreement or by express directive from the Board of Commissioners. The Board of Commissioners retains final authority in all matters in accordance with

ARTICLE III - HOURS of WORK

3.1 It is recognized that circumstances require frequent adjustments and additions to normal hours and no additional salary or compensation time will be earned. The General Manager is exempt from the Fair Labor Standards Act and from minimum standards for wages and working conditions under State law pursuant to Chapters 49.46 RCW and 296- 128 WAC. The General Manager is therefore salaried in compensation for performing all work necessary to carry out the duties of his position.

ARTICLE IV - HOLIDAYS

4.1 The General Manager shall observe holidays observed by the District Office.

4.2 When required by the District to work on a holiday, the General Manager shall have the return of the holiday at the time and date of the General Manager's choosing.

ARTICLE V - CLOTHING, DEVICES and VEHICLE

5.1 The District shall furnish such equipment as may be necessary to meet the safety and work demands of the General Manager and his staff during working hours on site.

5.2 The General Manager shall determine the need of replacement of worn articles. Articles unusable shall be turned into the Employer.

5.3 The General Manager shall be afforded the use of any District vehicles while on site.

ARTICLE VI – PAID TIME OFF

6.1 The General Manager shall be granted paid leave at a rate of thirty (30) days per calendar year, which will be awarded on the first day of the first month of the calendar year. No more than sixty (60) days of paid time off may be carried over into the following calendar year. The General Manager may use no more than thirty (30) consecutive days of paid leave without express approval of the Board of Commissioners.

6.2 At the date of termination of the General Manager, the District will pay an amount equal to fifty percent (50%) of the General Manager's paid time off hours as of the date of termination, at the wage rate in effect on the date of termination. The General Manager will not be eligible for the payment as provided in this section if the termination is due to willful misfeasance, gross negligence, or acts of dishonesty or if the General Manager voluntarily terminates employment with the District with less than forty five (45) days notice to the District. The General Manager is not entitled to any payment in exchange for paid time off except as provided in this article of the Agreement.

6.3 The General Manager shall be responsible for ensuring adequate coverage of duties during paid absence.

6.4 For purposes of this section, paid time off accumulated by the General Manager while in a previous position at the District shall be carried over and included in the total paid time off of the General Manager. Paid time off shall be prorated from the date of hire.

ARTICLE VII - JURY DUTY

7.1 Time off with pay will be granted for jury duty. The General Manager shall be paid the difference between the fee received, excluding payment for mileage, and the amount of straight-time earnings lost by reason of such service. In order to be eligible for such payments, the General Manager must furnish a written statement from the appropriate public official showing the date and time served and the amount of jury pay received. The General Manager must give the President of the Board of Commissioners prompt notice of the call for jury duty. If not assigned to a jury panel, the General Manager is expected to report to work. Jury duty participation shall be at the discretion of the Court.

ARTICLE VIII - RETIREMENT PLAN

8.1 The District shall provide retirement benefits through the Washington State Department of Retirement System (DCP), with an employer contribution of a minimum of eight percent (8%) of the General Manager's base salary.

ARTICLE IX - BEREAVEMENT LEAVE

9.1 The General Manager shall notify the President of the Board of Commissioners as soon as possible when need for bereavement leave arises. Reasonable requests for leave with pay up to five days will be granted. Requests for extension of bereavement leave may be granted at the discretion of the District. Options will include full salary, reduced salary, leave without pay, or use of vacation time.

ARTICLE X - EXTENDED ABSENCE

10.1 Extended absence may be granted by the Board of Commissioners for the following reasons: Serious and/or life-threatening medical condition, injury, or illness.

10.2 In the event of an extended absence for medical reasons, the Board of Commissioners may require the General Manager to provide a Doctor's written statement.

10.3 Once all accumulated paid time off has been used, absence will be granted without pay.

10.4 If the General Manager can no longer perform their duties, then the Districts reserves the right to terminate employment under the terms of article XIII.

ARTICLE XI - MEDICAL, DENTAL, VISION, LIFE INSURANCE AND LONG-TERM DISABILITY PROGRAMS

11.1 The District will provide medical/dental/vision coverage of all District employees, including the

General Manager, through the Public Employees' Benefits Board (PEBB). The District may provide for inclusion of said employees, including the General Manager, in VEBA. If either of the programs described in this article is terminated or changes substantially during the term of this agreement, the parties will negotiate arrangements for substantially equivalent benefits.

11.2 Effective May 1, 2021 the District will contribute up to \$1,700.00 per month ("Monthly Medical Benefit") toward the General Manager's health/dental/vision insurance coverage election under the Public Employees' Benefits Board (PEBB) insurance program and, if applicable, for deposit in the General Manager's VEBA account as provided herein.

11.3 At the beginning of each calendar year, the Monthly Medical Benefit will be adjusted by a percentage equal to the average percentage change in the cost per enrollee of District-eligible PEBB medical/dental/vision plans for single member coverage offered during the calendar year in Mason County, to a maximum adjustment of six percent (6%) per year. This average percentage change will be determined by the District based on the year-over-year change in the Active Political Subdivision figures in the PEBB Coverage Report for the preceding calendar year.

11.4 If the General Manager retires with a minimum of twenty (20) years with the District, the General Manager shall be allowed to remain a member of the group for health care coverage specified in this section after retirement, at his own expense as long as eligible and as long as the District maintains such coverages.

ARTICLE XII - SCHEDULE of SALARY

12.1 The position of General Manager shall have a starting salary of \$75,000 per year.

12.2 The District agrees to pay the following base salary beginning May 1, 2021, subject to the continued employment of the General Manager by the District:

2021 SALARY SCHEDULE: \$6,250.00/mo.

12.3 Raises will be performance based with a minimum increase of 4% annually. Performance reviews are conducted by the Board of Commissioners at least once per year with one review occurring months prior to budget setting, or as otherwise determined by the President of the Board of Commissioners.

ARTICLE XIII - TERMINATION

13.1 The General Manager is an at-will employee and may be terminated for cause or for no cause with or without notice at the sole discretion of the District. The General Manager, who voluntarily terminates his employment, shall give at least forty-five (45) days notice. If the General Manager is terminated by the District, the District agrees to pay a lump sum cash payment equal to three (3) months salary and will continue to provide medical and dental benefits, but no other benefits, for thirty (30) days following the notice of termination. If termination is due to willful malfeasance, gross negligence, or acts of dishonesty, no further obligation shall exist under this Agreement and no lump sum cash payment shall be allowed. The General Manager expressly waives provisions in the District's personnel policies pertaining to discipline and termination.

ARTICLE XIV - EDUCATION and TRAINING

14.1 Job related education and training programs shall be reimbursable to the General Manager upon satisfactory (passing) course completion, provided prior consent of the Board of Commissioners is obtained. If the General Manager should leave the District employment within a twelve (12) month period following the course completion date, the cost of the course and/or training program, including the cost of wages to the District for training time, shall be prorated and reimbursed to the District.

14.2 Job-related workshops, seminars, short schools, can be prepaid registration to the school/sponsor or reimbursable to the General Manager.

14.3 The General Manager, attending educational training courses, workshops, seminars, and short schools, as provided in 14.1 and 14.2, with prior approval of the Board, shall continue to receive his regular salary.

14.4 The District shall pay for all employee certification testing, renewal, and CEU requirement expenses per Job Description, unless the cost of such expenses is deemed excessive by the Board of Commissioners.

ARTICLE XV - SEPARABILITY and SAVINGS

15.1 If an article or section of this Agreement should be held invalid by operations of law or by any tribunal of competent jurisdiction, the balance of this Agreement shall continue in full force and effect. The article or section held invalid shall be modified as required by law or the tribunal of competent jurisdiction or shall be renegotiated for the purpose of an adequate replacement.

ARTICLE XVI - TERM OF AGREEMENT

16.1 The Agreement shall be effective **MAY 1, 2021** and shall remain in effect until terminated by either party. Modifications to this Contract may be agreed upon from time to time by the written consent of both parties.

This CONTRACT is effective per ARTICLE 16.1 as executed this _____ day of _____ **2021**, by the duly authorized agents and representatives of parties hereto.

HARTSTENE POINTE WATER - SEWER DISTRICT COMMISSIONERS

Earl Jim Anderson, President

Stacy Swart, Secretary

Andrew Hospador, Audit Commissioner

GENERAL MANAGER

Jeffery Palmer, General Manager