

**HARTSTONE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING  
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584  
February 1, 2024 1:00 P.M.**

**AGENDA**

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes of the January 18, 2024 Regular Meeting (2-3)

**REPORTS:**

7. Commissioner Repots
8. Financial/Administrative Report:
  - Bills to Be Authorized:
    - Voucher 2024-05
  - Bills to Be Reviewed:
    - Voucher 2024-04
9. General Manager's Report

**BUSINESS:**

10. Emergency Response Planning: DOH Expectations for Provision of Potable Water & Potential Sources
11. Review 10-year Strategic Plan (4-14)

**OLD BUSINESS**

**HARTSTENE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING of the BOARD OF COMMISSIONERS  
January 18, 2024  
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584**

**MINUTES**

**PRESENT:** President E. J. Anderson, Audit Commissioner C. Anderson, Secretary S. Swart, General Manager (GM) J. Palmer, Project & Accounts Manager (PM) J. Sartori, Matt M. from Century West Engineering

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

**SUBSCRIBER REMARKS:** No Subscribers Present

**CORRESPONDENCE:**

- Commissioners reviewed a letter sent by an account holder
- Commissioner Swart received correspondence from residents regarding the upcoming sewer rehabilitation project
- Commissioner Swart received questions regarding District personnel shutting off water to a residence while the homeowners are away

**PRESENT AGENDA:** *Commissioner Swart moved to adopt the agenda. Commissioner C. Anderson seconded.* PM requested to update the voucher numbers. PM requested adding Petty Cash account changes. *Hearing 3 aye votes and 0 nay votes, the agenda was adopted as amended.*

**MINUTES:**

The minutes of the January 4, 2024 regular meeting were presented. *Commissioner Swart moved to approve the minutes. Commissioner C. Anderson seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved.*

The minutes of the January 9, 2024 special meeting were presented. *Commissioner Swart moved to approve the minutes. Commissioner C. Anderson seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved.*

**REPORTS:**

**Project Update from Matt M. with Century West Engineering:** Matt M. presented updates on the status of the Sewer Infrastructure Rehabilitation Project and fielded questions from commissioners.

**Commissioner Reports:**

- Commissioner Swart suggested adding an article regarding household winterization
- Commissioner Swart asked the GM about the status of receiving the title for the trailer
- Commissioner Swart shared resources for commissioners to review the public records requirements and open public meeting requirements
- Commissioner Swart asked if there are policies regarding extra keys for facilities storage

**Financial/Administrative Report:**

- Bills to Be Authorized:

- Voucher 2024-03 in the amount of \$ 39,449.18 was presented. ***Commissioner C. Anderson moved to approve voucher 2024-03 in the amount of \$ 39,449.18. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.***

**General Manager’s Report:** GM presented his report on the current state of the District

**BUSINESS:**

**Review District Funds Structure:** Due to length of meeting, this item is tabled and will be reviewed at a future meeting.

**Change Signers on the Districts “Petty Cash” Account:** As of 2024, the commissioners and administrative staff requested to add Carl Anderson as a signer for the Petty Cash Account held at Umpqua Bank, account number ending in XXXXXX2278. Commissioners Earl Jim Anderson, Stacy Swart and former Commissioner Andrew Hospador should be removed as signers of the account to simplify and control the list of account signers. Jeffery Palmer should remain as a signer on the account. ***Commissioner C. Anderson made a motion to approve the change of signers as requested. Commissioner Swart seconded. Hearing three aye votes and 0 nay votes, the motion passed. Until further needed changes, the Petty Cash account should have two signers: Jeffery Palmer and Carl Anderson.***

***Commissioner C. Anderson moved to adjourn the meeting. Commissioner E.J. Anderson seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 2:58 pm.***

Respectfully Submitted By:

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

Stacy Swart, Secretary, Commissioner #3  
\_\_\_\_\_  
*Name and Title*

Approved at the Regular Meeting of the Board on: 2-1-2024

**Hartstene Pointe Water - Sewer District**



*Dedicated to Service*

***Ten Year Strategic Plan***

***2021-2031***

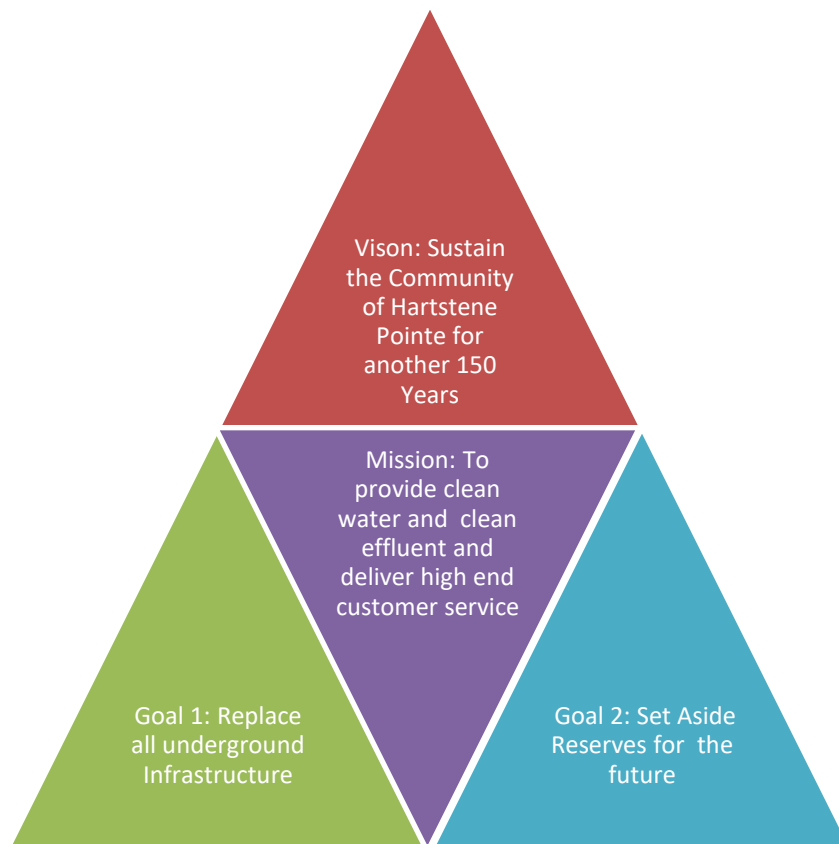
**Introduction:**

Water utilities everywhere confront many challenges as they strive maintain and expand infrastructure systems that supply clean and safe drinking water to their customers, collect and treat wastewater, and, for many, to manage storm water surges.

These problems have intensified as pressure from population growth and development has increased along with more severe infrastructure failures. New challenges to utility operations have also emerged: The effects of climate change and escalating costs of energy, labor and supplies are among the newest challenges utilities face in their commitment to providing safe and reliable water treatment services.

As these challenges converge, it has become clear to many utilities that their operations must focus not only on meeting current needs, but must also ensure sustainability for meeting future demands. However, they also remember that sustainable operations must not curtail the requirement to continue to adhere to their responsibility for acting as stewards of the environment while also allowing for necessary economic growth.

**1. Plan Overview : Vision, Mission, Goals and Implementation**



## 2. Supporting Arguments:

### a. Overview:

- b. America's water and wastewater utilities are facing tremendous hardship as a result of aging and failing infrastructure. It is estimated that a staggering one million miles of water and sewer pipe across America is in need of replacement (ASCE, 2017). The cost to repair and replace this infrastructure is difficult, if not impossible, for most utilities to afford without a significant amount of financial assistance from external funding sources such as lenders and federal and local government bodies.

One of the reasons for this stark lack of funding is over the years the vast majority of water and wastewater providers have not purposed to set aside sufficient reserves for repair and replacement (R&R). This has allowed the industry to set its rates much lower than other utilities, such as power and telecommunications. However, the downside to this approach is it has left water and wastewater utilities with an overwhelming amount of deferred maintenance, in addition to a lack of funds for replacement, upgrades, and repair (Parks-Ramage, 2018 ). This is the unfortunate, yet inevitable, result of a failure in long-range strategic planning and the employment of proper budgeting techniques.

The future of Hartstene Pointe depends largely on its ability to sustain its water and sewer infrastructure. Historically, communities that have been unable to do so have experienced economic collapse, drinking water contamination and in some cases, the death of residents. It is imperative that the District take the necessary steps now to ensure health, safety and economic stability in the future.

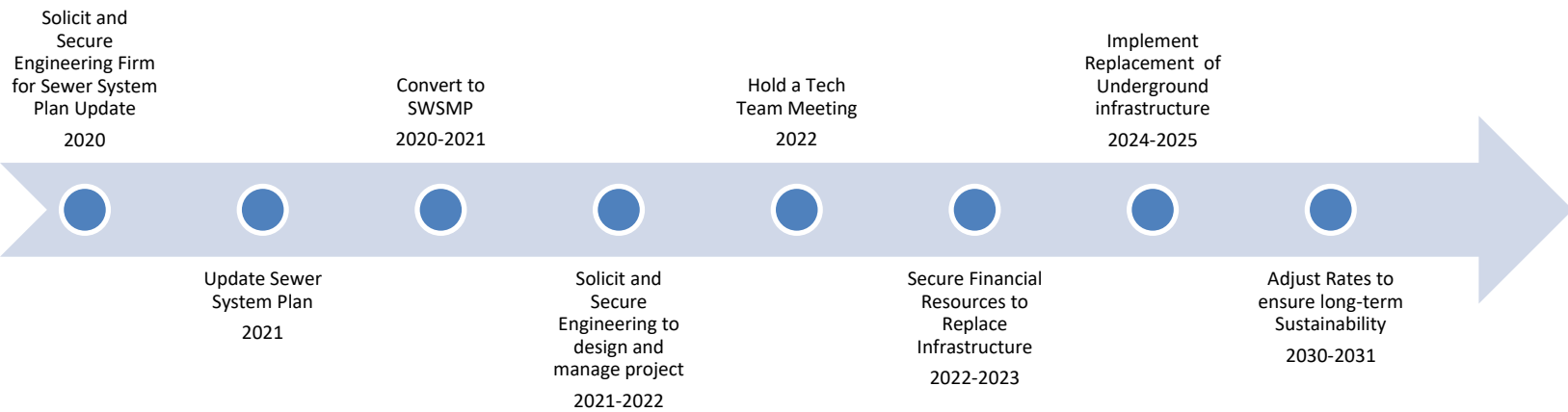
### c. Assets:

- i. Hartstene Pointe is somewhat unique in that it sits on the northern most tip of Hartstene Island, has its own wastewater treatment plant the discharges to the Puget Sound and two water treatment facilities. HPWSD is responsible for ensuring that its drinking water complies with all state and local regulations and that its wastewater effluent meets all appropriate standards for discharge to the Puget Sound.

### d. History:

- i. Hartstene Pointe's Underground Infrastructure was installed by Weyerhaeuser/Quadrant as a camping retreat for its employees over 50 years ago this was prior to the formation of either Hartstene Pointe Maintenance Association or Hartstene Pointe Water Sewer District. Based on multiple studies performed over the years by engineering firms as well as in person investigation by District staff, Department of Ecology staff and Department of Health staff, it has been determined that much of the underground infrastructure was improperly installed. Additionally,

much of the infrastructure was installed using low quality materials and as a result has caused an increase in maintenance costs such as water and sewer line repair. Shortly after building the communities’ infrastructure it was sold and deeded over to Hartstene Pointe Maintenance Association who then deeded the water and wastewater systems over to Mason County prior to the formation of HPWSD in 2008. Mason County managed the system for almost 40 years and failed to perform routine maintenance and set aside sufficient reserves for future infrastructure replacement. When the District took over operations in 2010 it learned that nearly half of the equipment in the field was non-operational. Sadly the District was left with few reserves and unable to make necessary repairs and replace ailing equipment without incurring significant debt. In 2019 the District performed a sustainability audit which revealed both 36% water loss throughout the system as well as 77% Inflow and Infiltration. The cause of these issues is the combined result of improper installation of sewer lines as well the use of poor quality water pipe. In the light of the above information, it the goal of HPWSD to replace its entire underground water and sewer infrastructure within the next 10 years. Additionally, it is the goal of Hartstene Pointe Water-Sewer District to set rates to ensure sufficient reserves can be set aside each year for future infrastructure replacement projects.



**3. Stages**

**a. Solicit and Secure Engineering Firm for Sewer System Plan Update**

- i. The District has an approved purchasing manual which outlines the steps in involved in hiring consultants such as an engineering firm. The steps are as follows: Contracting for Professional Services - RCW 39.80 All procurement of architectural and engineering services shall be by contract. It is required that the District publicly announce requirements for these types of services and negotiate contracts on the basis of demonstrated competence and qualification

for the type of professional service required and at fair and reasonable prices. RCW 39.80.030 provides two options that may be used to comply with the “Advance publication” requirement for procurement of professional services: (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). The District utilizes both methods under specific circumstances based on the estimated fee for the proposed project.

- ii. Advertise by Project      Fee Estimate => \$150,000
- iii. Select from MRSC Roster      Fee Estimate < \$150,000

**Examples:**

**\*These example lists are not all inclusive.**

Professional Services

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- Architectural Services as defined by RCW 18.08
- Engineering Services as defined by RCW 18.43
- Land Surveying as defined by RCW 18.43
- Landscape Architecture as defined by 18.96



1.1 Procedure check sheet for Procurement for Professional Services: <\$150,000

	Completed
<b>STEP 1:</b> Determine general scope and nature of the project or work for which services are needed.	<input type="checkbox"/>
<b>STEP 2:</b> Obtain Board authorization to obtain requested services.	<input type="checkbox"/>
<b>STEP 3:</b> Select professional service provider from Professional Services Roster. Roster maintained by MRSC.	<input type="checkbox"/>
<b>STEP 4:</b> Negotiate Contract for services.	<input type="checkbox"/>
<b>STEP 5:</b> Prepare two (2) original contract documents for execution by Consultant.	<input type="checkbox"/>
<b>STEP 6:</b> Obtain two (2) original executed contract documents from the Consultant and have Board authorize contract.	<input type="checkbox"/>
<b>STEP 7:</b> Contract executed One executed copy is returned to the contractor, One executed copy is kept in the contract files with current insurance certificate.	<input type="checkbox"/>
<b>STEP 8:</b> Initiate Project.	<input type="checkbox"/>
<b>STEP 9:</b> Follow District procedures and contract requirements for payment.	<input type="checkbox"/>

1.2 Procedure check sheet for Procurement for Professional Services: >=\$150,000

	Completed
<b>STEP 1:</b> Determine general scope and nature of the project or work for which services are needed.	<input type="checkbox"/>
<b>STEP 2:</b> Prepare Request for Proposal (RFP)	
<b>STEP 3:</b> Notify Board of intent to advertise for Request for Proposal.	<input type="checkbox"/>
<b>STEP 4:</b> Publish advertisement notice in newspaper(s). <ul style="list-style-type: none"> <li>▪ Daily Journal of Commerce</li> <li>▪ Shelton-Mason County Journal</li> </ul> Announcement must include: <ul style="list-style-type: none"> <li>▪ General scope and nature of the project or work</li> <li>▪ Contact information including address</li> </ul>	<input type="checkbox"/>
<b>STEP 5:</b> Determine Evaluation Criteria	<input type="checkbox"/>
<b>STEP 6:</b> Evaluate proposals submitted by firms.	<input type="checkbox"/>
<b>STEP 7:</b> Shortlist firms based on evaluation criteria for interviews and conduct interviews <ul style="list-style-type: none"> <li>▪ Discussions shall be held with one or more firms.</li> <li>▪ Interviews/Discussions should cover: anticipated concepts and alternative methods of approach for furnishing the required services.</li> <li>▪ Check References</li> </ul>	<input type="checkbox"/>
<b>STEP 8:</b> Make selection recommendation <ul style="list-style-type: none"> <li>▪ The selected firm should be the firm that is deemed to be the “most highly qualified to provide the services required for the proposed project.”</li> </ul>	<input type="checkbox"/>
<b>STEP 9:</b> Obtain Board authorization to move to contract negotiation with selected firm.	
<b>STEP 10:</b> Negotiate Contract for services.	<input type="checkbox"/>
<b>STEP 11:</b> Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
<b>STEP 12:</b> Enter into contract. All contracts must be approved by the Board of Commissioners. Both parties (contractor & District) sign both original contract documents. One executed copy is returned to the contractor, One executed copy is kept in the contract files in the vault.	<input type="checkbox"/>
<b>STEP 13:</b> Initiate Project.	<input type="checkbox"/>
<b>STEP 14:</b> Follow District procedures and contract requirements for payment.	<input type="checkbox"/>

1.3 Regulatory Requirements - Procurement for Professional Services

These guidelines shall be used for the procurement of professional services. Procurement of these services shall be by contract. It is required that the District publicly announce requirements for these types of services and negotiate contracts on the basis of demonstrated competence and qualification for the type of professional service required and at fair and reasonable prices.

**A. LIMITS**

N/A

**B. EXCEPTIONS**

This process does not need to be followed when the District determines that an emergency requires the immediate execution of the work involved.

**C. STATUTORY REQUIREMENTS**

**a. REQUIREMENT REFERENCE CHART**

	<b>&lt;\$150,000 Section 9.1, 9.3D</b>	<b>&gt;=\$150,000 Section 9.2, 9.3E</b>
Bid Format	Contract Negotiation	Request for Qualifications
Public Notice	Required (Annually)	Required
Bid Opening Format	N/A	N/A
Bid Recording	N/A	N/A
Late Bids	N/A	N/A
Award Procedure	Most highly qualified to provide services	Most highly qualified to provide services
Written Contract	Required	Required
Small Works Process	N/A	N/A
Bid Bond	N/A	N/A
Performance Bond	N/A	N/A
5% Retainage	N/A	N/A
Maintenance Guaranty	N/A	N/A
Prevailing Wage Affidavit	N/A	N/A
Intent to Pay Prevailing Wage	N/A	N/A

**D. PROFESSIONAL SERVICES ROSTER PROCESS**

**a. PROFESSIONAL SERVICES PROVIDER SELECTION**

Select a Professional Services provider(s) from the current MRSC roster that meets the need for the desired area of expertise. Consider location and acceptable level of experience when making selection. Staff may choose to consider multiple providers from the roster, and follow Section 9.3 E. c. & d. for selection of services provider.

**b. CONTRACT NEGOTIATION**

The District shall negotiate a contract with the most qualified firm at a price which the District determines to be fair and reasonable. In making its determination, the

District shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature thereof.

If the District is unable to negotiate a satisfactory contract with the firm selected at a price the District determines to be fair and reasonable, negotiations with that firm shall be formally terminated and the District shall select another firm in accordance with Section i. above

**c. DECISION TO RE-ADVERTISE OR CANCEL**

The Board of Commissioners may reject all proposals for good cause and request new proposals.

**d. CONTRACT AWARD NOTICE**

A contract awarded using this process does not need to be advertised.

**e. DISCLOSING INFORMATION**

N/A

**E. REQUEST FOR QUALIFICATIONS PROCESS**

**a. REQUESTS FOR QUALIFICATIONS**

Notice for Requests for Qualifications shall contain, at a minimum, the following:

1. The scope and nature of project or work
2. Contact information for District representative including address

**b. PUBLIC NOTICE**

Notice of the request for the qualifications must be published in advance. The announcement must include, at a minimum: Estimate of the scope and nature of project or work; and Contact information for District representative including address. There are two options available for compliance with this section:

1. Publish an announcement on each occasion when professional services are needed;
2. Publish general announcement stating projected requirements for any category or type of professional service.

**c. REQUEST FOR QUALIFICATION RECEIPT**

RFQs may be received via any type of documentation preferred by the District.

**d. REQUEST FOR QUALIFICATION EVALUATION**

The District shall provide reasonable procedures for evaluation of the RFQs received. RFQs evaluated should include those that have been submitted as a result of a specific announcement as well as those submitted under a general announcement when applicable. The evaluation process shall include discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. Selection shall be made based up on the established criteria and shall be awarded to the firm deemed to be the most highly qualified to provide the services required for the proposed project.

Minority and women-owned firms shall be afforded the maximum practicable opportunity to compete for and obtain public contracts for services. The level of participation by minority and women-owned forms shall be consistent with their general availability within the professional communities involved.

**e. CONTRACT NEGOTIATION**

The District shall negotiate a contract with the most qualified firm at a price which the District determines to be fair and reasonable. In making its determination, the District shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature thereof.

If the District is unable to negotiate a satisfactory contract with the firm selected at a price the District determines to be fair and reasonable, negotiations with that firm shall be formally terminated and the District shall select another firm in accordance with above paragraph.

**f. DECISION TO RE-ADVERTISE OR CANCEL**

The Board of Commissioners may reject all proposals for good cause and request new proposals.

**g. CONTRACT AWARD NOTICE**

A contract awarded using this process does not need to be advertised.

**h. DISCLOSING INFORMATION**

N/A

**b. Update Sewer System Plan**

i. The District's Sewer system plan is out of date. The plan was done by Mason County back in 2004 and has expired.

1. An up to date plan is required in order to be eligible for funding from outside sources.

**c. Solicit and Secure Engineering Firm for Water System Plan Update**

i. (Same steps as above)

**d. Update Water System Plan**

i. This plan was completed in 2008 and needs to be updated to reflect recent changes to the system.

1. An up to date plan is required in order to be eligible for funding from outside sources.

**e. Hold a Tech Team Meeting**

i. This will be an Open Public Meeting and will be held by the District at the District office or location of the board's choosing. Various funders and lenders will be invited to meet with the District and its Engineering firm to discuss ways to fund the infrastructure project.

**f. Secure Financial Resources to Replace Infrastructure**

i. After the tech team meeting outlines the options for HPWSD the District can begin applying/petitioning for funding. The engineering firm the District selects

will be able to guide HPWSD through this process and add both technical and administrative expertise to the plea for outside resources.

- g. Implement Replacement of Underground infrastructure**
    - i. This will be a major project, spanning roughly 6 years. This estimate is based on similar infrastructure projects around the state. This project will involve a great deal of engineering, road replacement, geological surveys and open public meetings. The District may need to involve an outside financial consultant as well as its attorney to ensure that it remains in compliance with all state, Federal and local regulations.
  - h. Adjust Rates to Ensure Sustainability**
- 4. Timeline**