

KITTITAS COUNTY WATER DISTRICT #7

SUNLIGHT WATERS

P.O. Box 161, Thorp, WA 98946

Carl Nelson, Commissioner

Letha Ihrke, Commissioner

Roger Swansen, Commissioner

MINUTES of the regular meeting of the Board of Commissioners, held **January 13, 2021.**

Because of COVID-19 and the governor's Stay Home – Stay Healthy order, the meeting was held online via Zoom phone conferencing. Those wishing to attend were given instructions for phoning in to the meeting. Those attending were Commissioner Carl Nelson, Commissioner Letha Ihrke, Commissioner Roger Swansen, Dave Randall, Steve Howard, and Clerk Mary Wise.

The meeting was called to order by Commissioner Carl Nelson at 7:02 p.m.

The minutes of the regular meeting held December 9, 2020 were read.

Letha moved and Roger seconded to approve the minutes as read. The motion passed.

Treasurer's Report:

Fund 670 010*	Balance as of 12/9/2020:	214,001.83
(General Fund)	Expended claims payments	1645.77
	Expended payroll	4311.13
	Correction on November claims form	1.86
	Water Sales	9325.95
	Excise Tax	638.44
	Balance as of 1/13/2021:	218,011.18
Fund 670 022	Balance as of 12/9/2020:	7,718.00
(Capital Improvements Fund)	Deposits	0.00
	Expenditures	0.00
	Balance as of 1/13/2021:	7,718.00
Fund 670 031	Balance as of 12/9/2020:	29,103.58
(Fund to repay Public Works Trust Fund Loan)	Water Tank Assessment (10.00/pmt)	2100.00
	Supplemental Deposit (3.00/pmt)	630.00
	Payment	0.00
	Balance as of 1/13/2021:	31,833.58
	OUTSTANDING BALANCE OF DWSRF LOAN	136,699.05

Total Monthly Revenues	12696.25
Total Monthly Expenditures	5957.90

Comparison to last year:

Fund 670 010*	Balance as of 12/11/2019:	209,909.79
(General Fund)	Expended claims payments	2355.59
	Expended payroll	3314.00
	NSF check (from 11/2019)	44.11
	County NSF fee	10.00
	Bank NSF fee	35.00
	Election Costs	268.38
	New Service Installation Costs Deposit (non-taxable)	2500.00
	Water Sales	9558.81
	Excise Tax	645.95
	Balance as of 1/8/2020:	216,631.58

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Fund 670 031	Balance as of 12/11/2019:	28,205.58
(Fund to repay Public Works Trust Fund Loan)	Water Tank Assessment (10.00/pmt)	2030.00
	Supplemental Deposit (3.00/pmt)	609.00
	Payment (10/4/2019)	0.00
	Balance as of 1/8/2020:	30,855.58
	OUTSTANDING BALANCE OF DWSRF LOAN	158,169.23

Kittitas County Water District #7
 General Ledger Report
 (from Kittitas County Office of the Treasurer)
12/1/2020 to 12/31/2020

670 010 Kittitas County Water District #7 Maintenance
 (Operating Budget)

Beginning Cash on Hand	\$221,748.06
Total Received	\$9,310.78
Total Disbursed	\$6,093.89
Ending Cash on Hand	\$224,964.95

670 022 Kittitas County Water District #7 Capital Improvements

Beginning Cash on Hand	\$7,718.00
Total Received	0.00
Total Disbursed	0.00
Ending Cash on Hand	\$7,718.00

670 031 Kittitas County Water District #7 Maintenance
 (PWTF Loan Repayment Funds)

Beginning Cash on Hand	\$26,620.5
Total Received	\$2,470.00
Total Disbursed	0.00
Ending Cash on Hand	\$29,090.51
Ending Bonds Outstanding	\$136,699.05

Kittitas County Water District #7
 General Ledger Report
 (from Kittitas County Office of the Treasurer)
11/1/2020 to 11/30/2020

670 010 Kittitas County Water District #7 Maintenance
 (Operating Budget)

Beginning Cash on Hand	\$219,122.22
Total Received	\$8,262.37
Total Disbursed	\$5,636.53
Ending Cash on Hand	\$221,748.06

670 022 Kittitas County Water District #7 Capital Improvements

Beginning Cash on Hand	\$7,718.00
Total Received	0.00
Total Disbursed	0.00
Ending Cash on Hand	\$7,718.00

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670 031 Kittitas County Water District #7 Maintenance
(PWTF Loan Repayment Funds)

Beginning Cash on Hand	\$24,566.51
Total Received	\$2,054.00
Total Disbursed	0.00
Ending Cash on Hand	\$26,620.51

Ending Bonds Outstanding \$136,699.05

Roger moved and Letha seconded to approve the Treasurer’s report. The motion passed.

Maintenance Report

Water pumped through December 2020: 26.99 acre-feet
Water pumped through December 2019: 23.18 acre-feet
Water pumped through December 2018: 26.91 acre-feet

Water pumped January 1-31, 2020: 503,000 gallons
Water pumped February 1-29, 2020: 486,000 gallons
Water pumped March 1-31, 2020: 689,000 gallons
Water pumped April 1-30, 2020: 633,000 gallons
Water pumped May 1-31, 2020: 846,000 gallons
Water pumped June 1-30, 2020: 905,000 gallons
Water pumped July 1-31, 2020: 1,222,000 gallons
Water pumped August 1-31, 2020: 1,163,000 gallons
Water pumped September 1-30, 2020: 883,000 gallons
Water pumped October 1-31, 2020: 544,000 gallons
Water pumped November 1-30, 2020: 439,000 gallons
Water pumped December 1-31, 2020: 483,000 gallons

Billing during the winter is estimated on minimum usage. (The last meter reading before winter was taken on 9/30/2020.)

Gallons billed for October 2019 through April 2020: 2937990 gallons
Gallons billed for May 2020: 652740 gallons
Gallons billed for June 2020: 811030 gallons
Gallons billed for July 2020: 1148230 gallons
Gallons billed for August 2020: 1109462 gallons
Gallons billed for September 2020: 782564 gallons

Letha reported that things are working smoothly. The chlorine residuals are good. The new light has been installed in the pumphouse. The snow was plowed around and up to the pumphouse. Letha told the snow plower that plowing will be on a ‘will call’ basis.

Old Business

Current water connections: 225. There are currently property owners on the waiting list wanting to install 13 meters.

Budget – including new codes – Carl explained that this is the first time that Kittitas County Water District #7 will have a revenue and expense budget that is broken down by expenses. The commissioners have reviewed the drafts of the budget they previously discussed. Carl reminded all that budgets are targets. Looking at the median of the last three years expenditures, Carl

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suggested that \$98,000.00 would be a good target budget for expenses. He asked for discussion. Letha agreed that the middle figure looks the best to start. Carl said rates are later on the discussion. Roger said he thinks more time is needed to talk with customers before the budget is set. Carl explained that a budget is needed before the commissioners can discuss rates with the customers. He said a budget is required. Roger said he needs more time to study the information. Carl said the goal is to be able to present something to the customers that shows what expenses are and what the commissioners are projecting for 2021. Roger said he wants to think about it. Until the next meeting. Carl pointed out that the commissioners have been discussing this topic for three meetings. Carl would like to be able to post the budget on the district's website this month. Letha said that it is more about getting information to the customers, and that the budget is not set in stone. It is mostly informational. Roger said he was still unwilling to agree on a budget yet. Carl explained that that the budget is required. He asked Roger if he would be ready in 30 days. Roger said yes, he wants to wait for 30 days. He said if the commissioners have not had a budget before, what difference will 30 more days make? Carl explained that timeliness is an issue now. Carl said he wants for the commissioners to give the customers good information. Roger moved and Letha seconded to adopt the proposed budget of \$98,000.00 for 2021. There was more discussion. Roger said he does not want the wording to include 'adopt', only 'propose'. Carl called for the vote. The motion passed.

New connection fee – Carl confirmed that 42 additional connections have been approved by the Department of Health, for a total of 267 connections. There are currently 13 properties on the waiting list for new connections. Carl asked the commissioners to consider what the value of a new connection is. He shared a packet from the Department of Ecology that includes a proposed work and development schedule for Kittitas County Water District #7 to follow in order to bring the system's infrastructure up to the required level. The Department of Ecology granted the permanent rate of 250 gallons per minute (gallons per minute) for the system, but Kittitas County Water District #7 is currently only able to supply 190 gallons per minute. The system upgrades are required by the Department of Ecology in order to be able to meet the 250 gallons per minute in the future. These upgrades the Department of Ecology recommends to the infrastructure need to be completed by December 31, 2025. Significant work is needed on the back-up well. Kittitas County Water District #7 is still waiting for better weather for completion. It will still need extensive upgrading. The New Connection Fees will go directly to Capital Improvements. The commissioners have had discussion and research and concluded that the \$2000.00 fee needs to be raised. The waiting list, customers and newspapers need to be notified. Roger proposed that if there are developers on the waiting list, they should be charged \$4000.00. If there are lot owners who want to build houses, they should be charged \$3000.00. Letha said the commissioners have to raise the fees. She did research and discovered that comparable districts are charging anywhere from \$2000.00 to \$7000.00. She thought \$4000.00 was a reasonable amount. Roger said he still wants 2-tier pricing. Carl asked how to differentiate between the two categories. Roger said you can tell the difference. Letha asked how the commissioners can know before people fill out the Water Service Meter Installation Agreement, where it states the amount of the fee and conditions for payment. Roger said someone who has owned the lot for several years should be charged \$3000.00, and agree to live in the house for several years. Carl asked how to determine how long someone has to live in the house to qualify for the lower rate. Roger agreed to charge everyone \$4000.00. Roger moved and Letha seconded to adjust the New Connection fee to \$4000.00. The motion passed.

Water service rates – Carl explained the last rate increase was 5/1/2019; an increase from the base rate from \$39.00 to \$42.00 per month. Carl said a cost-of-living increase is normal and the commissioners do not want to wait to raise rates until the adjustment is too high for customers all at once. Letha and Carl both did comparison research to find reasonable adjustment rates. Carl

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pointed out that many districts don't get the 5,000 gallons included with the base rate, like Kittitas County Water District #7 customers do. Letha said comparisons show that the \$40.00-\$50.00 range is appropriate. Carl said that is about ½ of what internet costs, and people pay that. The commissioners reviewed the budget and rate figures Letha said she thought \$3.00 per month was a reasonable adjustment, and agreed that there should be advance notice before the new rate takes effect. Roger agreed with the \$3.00 monthly increase. Letha moved and Roger seconded to raise the base rate \$3.00 per month (to \$45.00), beginning May 1, 2021, with advance notice to customers. The motion passed.

Clerk procedure manual progress report – Mary sent the commissioners an updated progress checklist and a timesheet.

New Business

Water Operator's Report (Repair & Maintenance Work) – Carl reported that everything is good. A new LED security light was installed over the pumphouse. Also there is now better lighting inside. He has seen lots of running water outside. There are valves under water. Otherwise, things are tight. Everything is going well at the pumphouse. Carl is doing lots of reporting. Spring is approaching. Regarding Capital Improvements, Kittitas County Water District #7 has been approved to add 42 new connections. Carl will be proposing some capital improvements for spring. Letha said it is a relief to have the new connections shortage be settled.

RESOLUTION 2021-01: A RESOLUTION DETERMINING THAT PROPERTY REQUESTS ON THE NEW SERVICE CONNECTION WAITING LIST ARE MAINTAINED WITH THE PROPERTY REGARDLESS OF SALE OF THE PROPERTY – Letha moved and Roger seconded to approve the resolution. The motion passed and arrangements were made for the resolution to be signed.

Notice of additional new connections – the commissioners held much discussion on whom to notify. They decided that first the people on the waiting list should be notified. Then it should be put on the website and newspaper. Steve Howard said he wants everyone to be notified. He wants people who received letters about the moratorium on water availability slips (who already have water service connections) to be notified. He said everyone needs to be notified. Carl said that was a different issue, and thanked him for his input. Carl said people should get used to going to the website for information. Roger said he does not want the notice in the newspaper. Letha said she has seen other districts posting such information in the newspaper. Carl explained public notice requirements. Kittitas County Water District #7 needs to demonstrate they are not showing favoritism.

Water operator's salary – tabled until the next meeting.

Potential Delinquency Log (customers owing more than \$88.00) (payments are due 1/13/2021) – the commissioners reviewed the list.

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Kittitas County **CLAIMS PAYMENT REQUEST:**

Vendor #	Vendor Name	Code	Item	Budget Code	Payment Amount
06915	LABTEST	Op/M	Bacteria test (inv. #13595)	670 010 5340040	25.00
02972	ONE CALL CONCEPTS	Adm	Excavation notifications (12/31/2020, inv. #0129192)	670 010 5340040	1.07
02669	PUGET SOUND ENERGY	Adm	Electricity (1/4/2021)	670 010 5340040	487.30
00406	THE COPY SHOP	Adm	Copies (trans. # 252565)	670 010 5340040	12.03
02594	EVERGREEN RURAL WATER OF WA	Adm	2021 membership dues (inv. # 1220-369)	670 010 5340040	160.00
D0025	THE HARTFORD	Adm	District truck insurance 2021 – policy 52UECIV1549 (acct. # 12458101)	670 010 5340040	738.00
00363	KNUDSON LUMBER CO	Op/M	Mercury vapor bulb (inv. # 210673)	670 010 5340030	18.27
02055	MCGUIRE'S LANDSCAPING & WINTER SERVICES	Op/M	Snow removal to pumphouse (inv. # 4515)	670 010 5340040	102.60
00137	EMPLOYMENT SECURITY DEPARTMENT	Adm	4 th quarter tax	670 010 5340020	15.60
00003	DEPARTMENT OF LABOR & INDUSTRY	Adm	4 th quarter insurance	670 010 5340020	348.21
00139	WA STATE DEPT OF REVENUE	Adm	4 th quarter utility tax	670 010 5340020	1669.74
02977	WISE, MARY	Adm	Postage due; cell phone minutes	670 010 5340040	30.62
00110	INTERNAL REVENUE SERVICE – Employer Contributions <i>(held by Kittitas County Water District #7 to pay IRS via EFTPS)</i>	Adm	Social Security & Medicare – Employer Contributions to IRS for January	670 010 5340020	345.67
	DO NOT GENERATE WARRANT				
				TOTAL	3954.11

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Vendor #	Vendor Name	Code	Item	Budget Code	Payment Amount
00110	INTERNAL REVENUE SERVICE – Employer Contributions <i>(held by Kittitas County Water District #7)</i>	Adm	Social Security & Medicare – Employer Contributions to IRS for <u>December</u> (IRS withholdings were mistakenly under reported)	670 010 5340020	5.24
	ADD \$5.24 TO AMOUNT HELD FOR PAYMENT TO IRS				
	<i>to pay IRS via EFTPS)</i>				
				TOTAL	5.24

PAYROLL:

Vendor #	Vendor Name	Item	Budget Code	Payment Amount
02977	WISE, MARY	Payroll	670 010 53410	893.24
D0012	IHRKE, LETHA	Payroll	670 010 53410	585.19
D0022	NELSON, CARL B.	Payroll	670 010 53410	2184.80
01574	SWANSEN, ROGER	Payroll	670 010 53410	117.87
00520	EMPLOYMENT SECURITY – PFML	Family Leave Act (FLA)	670 010	11.43
00110	INTERNAL REVENUE SERVICE – Employee Contributions <i>(held by Kittitas County Water District #7 to pay IRS via EFTPS)</i>	Tax, Social Security & Medicare – Employee Contributions to IRS for December	670 010 520	725.67
	DO NOT GENERATE WARRANT			
			TOTAL	4518.20

Letha moved and Roger seconded to approve the claims and payroll. The motion passed.

The commissioners approved 670 010 Claims Payment Request in the amount of \$3954.11.

The commissioners approved Correction to 670 010 Claims Payment Request in the amount of \$5.24.

The commissioners approved payroll in the amount of \$4518.20.

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Total approved for claims & payroll: **\$8477.55.**

Next regular meeting: February 10, 2021, 7:00 p.m.

The meeting was adjourned at 8:48 p.m.

Board of Commissioners:



Carl Nelson, Commissioner



Letha Ihrke, Commissioner

ATTEST


Mary Wise, Clerk

Roger Swansen, Commissioner