MACKAYE HARBOR WATER DISTRICT BOARD OF COMMISSIONERS MINUTES

REGULAR MEETING - MAY 27, 2026

Date:	May 27, 2026
Time:	1:00 PM
Meeting called to order by:	San Olson

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met on May 27th, 2026, at the residence of San Olson - 481 Barlow Bay Rd; San Olson called the meeting to order at 1:01 p.m. and confirmed a quorum.

IN ATTENDANCE

Present were commissioners San Olson, Walt Krumbholz and Scott Allen; and clerk Alice Faulkner; a written report was provided by Wayne Haefele (absent).

REGULAR BUSINESS

Approval of Minutes

The April 20 minutes were approved; San moved, Krumbholz seconded.

Approval of Vouchers and Payroll

Faulkner distributed the May payroll; no corrections were requested; the payroll was unanimously approved in the amount of $384.00 for a total payroll cost of $522.09.

Current Payroll Tax Liabilities	*** To-Date Tax Liabilities (Please Read) ***

Basic Company Information

MacKaye Harbor Water District
PO Box 372
Lopez Island, WA 98261

Company No: 25007

Payroll Dates

Check Date: 05/29/26
(1) Period Start Date: 05/01/26
(1) Period End Date: 05/31/26

Federal Deposit Freq.: SEMI-WEEKLY
Federal Deposit Method: Total Tax

Payroll Statistics

No. of PR Checks:	0	Total Check Net:	$348.33
No. of Misc Checks:	0	Total Misc. Net:	$0.00
No. of Tax Checks:	0		
No. of Adj. Entries:	0	Total Adj. Net:	$0.00
No. of Void Entries:	0	Total Void Net:	$0.00
No. of DD Vouchers:	3	Total PR Net:	$348.33
Total PR Gross:	$384.00	Invoice Amt:	$107.19

Federal Tax Section

Federal Tax Deposit Liability (941)	
Federal Withholding Tax	$0.00
Earned Income Credit	$0.00
Social Security (Employer Portion)	$23.79
Social Security (Employee Portion)	$23.79
Medicare (Employer Portion)	$5.55
Medicare (Employee Portion)	$5.55
Cobra Premium Assistance Credit	$0.00
Total PR Federal 941 Liability	$58.68

Total Unpaid 941 Liability -- DUE $58.68

This amount will be withdrawn 1 day(s) before your checkdate
The total withdrawal will be listed at the end of the report

Quarter / Year : 2-2026 Tax Type: 941

Federal Unemployment Liability (940)	
Federal Unemployment Tax (FUTA)	$0.00
Total PR Federal 940 Liability	$0.00

Washington Tax Section

Washington Long Term Care Liability	
Washington Long Term Care Tax	$2.22
Total Washington PR LTC Liability	$2.22

Washington Disability/FLI Liability	
State Disability Tax (SDI - Emp'ee Portion)	$1.02
State FLI Tax (FLI - Emp'ee Portion)	$2.10
Total WA PR SDI/FLI Liability	$3.12

Washington Workers' Compensation Liability	
Labor & Industry Tax (L&I Emp'ee Portion)	$0.99
Labor & Industry Tax (L&I Emp'er Portion)	$1.56
Total WA PR WC Liability	$2.55

Total Tax Deposit	$66.57

********* Total Bank Deposit: $522.09

Pay Period: Monthly 05/01/26 - 05/31/26 Check Date: 05/29/26

Co. No: 25007 MacKaye Harbor Water District **PAYROLL LIABILITY REPORT** Payroll #: 17 Page: A - 1

Faulkner distributed the May claims; the May claims were unanimously approved without correction for a total approved amount of $8,574.06. Of note was the DOH Operating Permit, which was higher than previous years; and the WH&A invoice for phase 2 engineering which was approved for advance payment while the EPA extension remains pending. Monthly expenses are consistently running higher due to the EPA funding gap; Commissioners noted that this may be the last advance payment unless EPA approves the extension soon. Faulkner agreed to call Amy Williams directly to get a status update and push for expediency.

apChkLst Final Check List Page: 1
05/19/2026 10:52:50AM San Juan County

Bank : apbank BANNER BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
298876	5/19/2026	cen480	CENTURYLINK / LUMEN	300497055	5/6/2026	TELEPHONE	106.15	106.15
298877	5/19/2026	dep325	DEPT OF HEALTH-REVN SCI	ON035672	5/1/2026	OPERATING PERMIT	395.76	395.76
298878	5/19/2026	orc830	OPALCO	9561701	5/18/2026	ELECTRICITY	158.35	
				9561700	5/15/2026	ELECTRICITY	136.63	294.98
298879	5/19/2026	j00211	STREAMLINE SOFTWARE, IN	W93H4PS4-0014	5/1/2026	WEBSITE	216.70	216.70
298880	5/19/2026	j00155	TRUE BLOOM COOPERATIVI	1534	5/1/2026	BOOKKEEPING SERVICES	1,129.22	1,129.22
298881	5/19/2026	way102	WAYNE HAEFELE & ASSOCI	1017	5/1/2026	PHASE 2 ENGINEERING	4,681.25	
				1016	5/1/2026	MANAGER	1,750.00	6,431.25
							Sub total for BANNER BANK:	8,574.06

Financial Report

Faulkner reported $3,166 in water billings and $166.00 in late fees had been received since the April meeting; total revenue for the period including investments interest came to $3,506.48; year to date total came to $60,229.84; expenditures for the period came to $9,096.21 leaving

$29,487.87 in the general fund and $2,000.00 in the investment pool. Faulkner plans to move the designated reserve fund amount from the January billings of $3,100 to the investment pool by the next meeting. Faulkner also reported approximately $5,000 in billings from 6 customers remaining to collect.

Manager's Report

- Haefele reporting having had a request from an off island licensed water hauler for MHWD to allow him to fill a 6,000 gallon tank from the MHWD system. He told him we currently don't do bulk water sales but that he would ask the commissioners. Friday Harbor charges a $100 Admin Fee + a $130 base fee + $63.60/1000 gallon consumption fee. That would be a $611 sale for the District. Haefele requested a yes or no answer from the commissioners; the commissioners declined pending additional information about well capacity and static testing; Faulkner agreed to send Haefele a follow-up email with their questions.
- Arnott re-seeded the ditch along MacKaye Harbor Rd. from the last leak repair.
- A leak was reported at Seth Rd and Flint Rd. Arnott investigated and found that there really was a leak. It was a separated glue joint and was leaking at "a fair clip". Haefele told him to repair it. He did so with Mechanical Joint Ductile Iron fitting to discourage future leaking.
- After the above repair there was a low-pressure complaint from Lynn Thompson on Flint Road. Investigation identified that the problem was a stuck valve on the meter setter. Arnott cleared it and things went back to normal.
- Haefele contacted SJ Fire District #4 and spoke with Chief Bigby regarding a fire truck fill for Salmon Point. They discussed immediate and future plans for the tank. Bigby suggested a 6 inch pipe extension to the road and a standpipe with a 4-1/2" Storz fitting.

The Commissioners noted that Arnott was supposed to have raised the standpipe for Linda Noreen around her shut-off valve, but it had not yet been done; Faulkner agreed to inquire with Haefele about the status of this repair.

The Commissioners also noted the need to clarify the contractual rights for a larger tank on Salmon Point vs. the $800/year road fee obligation.

Commissioner's Reports

None

Public Comment

None

Commissioners' Additions to the Agenda

Krumbholz said he is working on the Thank-You letter to San Juan County Council.

UNFINISHED BUSINESS

Discuss EPA Grant

Haefele reported the following:

- The project resubmittal was submitted the day after the last meeting. He doesn't expect to hear back until at least July as the response was lengthy and required several drawing changes. Raquel is on leave (again) until July 1.
- He is updating the drawings to reflect what was really done with PFFAP funds and to show this as a starting point for EPA funded work. While he is at it, he will incorporate the fire truck fill per Chief Bigby's instructions.
- He has heard nothing from Amy Williams with EPA regarding NEPA.

EPA Phase 1 extension status:

- Contract expired end of 2025, extension pending since early February
- Originally told 2 weeks processing time, now 3+ months with no resolution
- District fronting money for Haefele's Phase 2 work for multiple months without EPA reimbursement
- Board concerned about running out of cash if extension denied
- Decision: Stop automatically paying Wayne's future invoices until EPA responds
- Amy Williams (EPA contact) keeps saying "still processing" with no timeline
- Faulkner will make additional efforts to contact Williams and convey financial urgency.

<u>Discuss Progress on Projects Under PFFAP Grant</u>
The manager's written report did not include a status update on PFFAP related work, aside from updating the EPA Phase 2 drawings to reflect the work that has been done under this grant.

NEW BUSINESS

<u>None</u>

ADJOURNMENT

Olson declared the meeting adjourned at 1:40 PM.

APPROVAL OF MINUTES

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Commissioner, San Olson	District Clerk, Alice Faulkner