

**Holmes Harbor Water Company, Inc. (HHWC)**  
**Minutes of the Board of Directors Meeting**  
**Saturday, October 15, 2022**

**Open the HHWC Meeting:**

- Holmes Harbor Water Company Acting President Cyndy King called the meeting to order at 9:55 am on October 15, 2022.
- This meeting was conducted and recorded via a Zoom.

**Roll Call:**

HHWC Board members in attendance: There is a quorum

- Cyndy King, Acting President, Vice President
- David Paull, Treasurer
- Lydia Sikes, Secretary
- Sharon Dunn

Excused absences:

- Nancy Sharp
- Rick Waclawik

Holmes Harbor Residents in attendance:

- None

**Review Agenda:**

- The October 15th agenda was reviewed, amended under Treasurer's Report for both Sept and Oct approval and accepted.

**Approval of the September 17th HHWC Meeting Minutes:**

- The September 15th HHWC Meeting Minutes were approved unanimously.

**CONSIDERATION OF OPEN ISSUES**

**Treasurer's Report:** David Paull

- Treasurer's Report (TR) was sent out to all Board members before the meeting.

**Holmes Harbor Water Company, Inc. (HHWC)**  
**Minutes of the Board of Directors Meeting**  
**Saturday, October 15, 2022**

- September TR Correction:
  - David included a corrected version of last month's Treasurer's Report. Corrections are found in pale green-filled-in fields (21D, 21H, 26E, 26F, 34D, 38H, 38i & 40i). The dollar amounts were all off by \$0.01.
  - The most glaring error is on 26E/F (Billing) where David mistakenly wrote Qrtrly Use (Acct 3017C); the correct billing was for the Reserve Fund Acct (3017D).
- The September TR report and paid invoices were approved unanimously.
- October TR:
  - 8C/D/E; This unexpected RTC put us over our projected RTC income by 200% and in overall income by 133%. And we have two more months of income yet to go.
  - 9C/D/E; The Sam Steel refund is not true income, but a credit to Acct 3022-C. We were reimbursed for this expenditure by USDA, and will need to apply the funds to payments to Laura Lindal, the new Auditor.\* \*Note: Nancy to call and see how we need to properly handle these funds.
  - 23E/F/G: Water Management Service is still 'only' \$382 per month. We have been expecting an increase - and a contract to go with it - from Sandra that takes into account 2x visits per week to monitor the Arsenic treatment plant. We have neither.
  - 30E; Ferric Chloride cost per gallon increased from \$8.30 > \$9.82 in one month.
  - David also included the Renewal of the Heritage CD notification.
  - Perhaps we should get an in-person with Sandra. Cyndy and David will try to set this up the 2nd week of November, and prepare the list of topics/questions.
- The October TR report and paid invoices were approved unanimously.

**USDA Loan Maintenance – Cyndy King/David Paull**

**Holmes Harbor Water Company, Inc. (HHWC)**  
**Minutes of the Board of Directors Meeting**  
**Saturday, October 15, 2022**

- Repiping report has been renamed “ USDA Loan Maintenance” going forward.

**USDA Loan Audit – Cyndy King/David Paull**

- Nancy has informed Koni Reynolds at USDA that we hope to have the audit to her very soon.
- Letter of engagement with Laura Lindal was signed by Cyndy King on 9/22/2022. (see attached)
- Laura Lindal asked for meeting minutes 2019-2022.
- Board voted “yes” by email (email titled "Audit info and invoice". Dated 10/3 at 9:35 pm) to pay Laura Lindal the \$8500 progress payment due within 15 days
- Progress payment was made to Laura Lindal on 10/3/22 for \$8500.00
- Draft audit has been reviewed by David, Nancy and Cyndy. Corrections made. Corrected draft sent on 10/14 to board for vote to approve. If approved, Laura Lindal will produce final audit early next week.
- After discussion, draft approval was motioned, voted on and unanimously approved. Cyndy will let Laura Lindal know.

**Wetland Restoration - Nancy - no report**

**Water Testing Report: David Paull**

- Cyndy texted and called King Water Company twice since last meeting to request arsenic testing on both wells before treatment. No response to date.
  - Still only getting a combined (single) source reading of 0.0090 for Arsenic. The latest result is the annual Routine Compliance report. Still not getting the split report Nancy, then Cyndy have repeatedly requested for at least two months.
- Semi-Annual Chloride and Conductivity tests show both wells within compliance. These docs will be forwarded to whichever hydrogeologist we go with for the Salt Water Intrusion evaluation.

**Holmes Harbor Water Company, Inc. (HHWC)**  
**Minutes of the Board of Directors Meeting**  
**Saturday, October 15, 2022**

**Calendar for HHWC tasks - Rick Waclawik (absent)**

- Cyndy - Recertification of VA/EmergencyResponsePlan - Needs to be re-certified every 3 years. Check that this has been included.

**Collections Update - Cyndy King**

- Lot 5.6. owner continues to make on-time payments on the payment contract.

**Schedule DCVA Tests with KWC: David Paull**

- David has contacted Sandra and Ron repeatedly about dates and connection information (8 non-respondents to 2021 CCX survey) plus 12 additional connections to stay in compliance with WA DOH Sanitary Survey. No response. Still not sure if Sandra (KWC) ever sent out reminder notices to the eight non-respondents. David will try to contact Nathan.

**Application for Additional Connections to the HHWc Water Share: Cyndy King/  
David Paull**

- Discussion to engage hydrogeologist to do Salt Water Intrusion (SWI) study:
- Possible hydrology firms we could hire:
  - AESI (Jay Chennault) David notes: could do report with data provided by KWC. If they have to do a field visit, could be \$25K
  - Geoengineers (Bridget) David notes: is contracting with Island County to review SWI reports. Conflict of interest to work with us, but willing to advise on what's required by IC Health
  - Maul Foster Alongi (Phil Wiescher) Nancy notes: someone at MFA said "probably 12 hrs, \$1200" to do the report for us.
    - Phil had several useful questions that whomever we hire will need the answers to:
    - Nancy: (Notes written into minutes) Weischer asked several questions that I think we need to be able to answer for any consultant before they can give us a quote:

Holmes Harbor Water Company, Inc. (HHWC)  
Minutes of the Board of Directors Meeting  
Saturday, October 15, 2022

- What was the scope of Doug Kelly's review? Was it all water testing results? SWI only? Would we want them to review for all regulatory requirements? (He noted that once they have lab results, it's little extra work to include everything)
  - How many data points are there to review? Annual tests?
  - What kind of communication did we receive from Island County regarding Kelly's review? (I thought that we typically got an email from Doug or from Aneta on Doug's behalf stating that we could use the next batch of RTCs, not a formal letter)
  - What kind of report does Aneta Hupfauer need from this review? A letter stating that their assessment of SWI risk/ acceptable water quality? A report with tables and graphs?
- Still waiting to hear from Aneta Hupfauer regarding what the SWI report should look like. IC Dept of Health has contracted Bridget August (GeoEngineering) to help create a standard for such reports. Due to conflict of interest, Bridget has suggested we contact Jay Channault (AESI), the person with whom David is already in contact regarding this issue. In an Oct 10 email (BCC'd to the board) David informed him of the pending situation with Aneta vis-a-vis Bridget. His response is as follows:
    - *As an FYI, I (Jay) was able to review most of your water quality data through the Island County website and didn't see anything particularly worrisome*
    - *Jay also know Bridget pretty well, for what it's worth. I imagine she'd be pretty reasonable for us to work with.*
  - With that exchange in mind, David is inclined to go with Jay once the smoke clears on this. At this point David does not suggest voting on who to hire for this work.
  - May need Draw down report on Well #1 numbers which was done when pump was replaced.

**Holmes Harbor Water Company, Inc. (HHWC)**  
**Minutes of the Board of Directors Meeting**  
**Saturday, October 15, 2022**

- Vote tabled until November so we have all information, cost breakdown, and hear from all parties. Wait until we see from Aneta/County what it is supposed to look like.

### **CONSIDERATION OF NEW BUSINESS**

- Leak Adjustment for Account 1.5: 825 Shoreline - Cyndy
- Tom Faulkner would like to apply for leak adjustment for his 3rd quarter water bill. He was over the base by \$370. Cyndy helped create a timeline for Tom, dating when he discovered the leak, and what he did about it. Cyndy visited him early this week to go over the timeline and requirements to apply for leak adjustment to his water bill.
- He stated that the firm that repaired the leak said he might still have a "little drip" under the house. Cyndy checked his meter, and indeed the leak indicator was turning slowly. Cyndy noticed the grass was still quite green higher up the line than where the leak had been repaired. I advised him to call them back and have them come do more repairing, as they should have done the first time. They might come next week. In the meantime, he asked me to check on his meter periodically to see how much was still leaking. Once he has the repair repaired, Cyndy will read the meter and see if he's on target to go over in the 4th quarter. Cyndy advised him of our policy to adjust for leaks no more than twice in 3 years, and that he could be looking at replacing his whole line to the house, given its age and apparent condition.
- Now he would like to wait until after the next repair to apply for adjustment, to be presented at our November meeting. He will pay the base as soon as his "check comes in" this month, generally by the 22nd.

### **Member Comment**

- The final doc is a notice from Island County Roads about keeping the ROW clear of all devices when they come through with their brush cutting program. FYI- Parking on the ROW can be dicey when they come through.

**Holmes Harbor Water Company, Inc. (HHWC)**  
**Minutes of the Board of Directors Meeting**  
**Saturday, October 15, 2022**

- We also need to clear all the brush away around all of our hydrants prior to Flushing next week (Wed.19th). Phil and Lydia will clear the hydrant by them on Van Dee. David will ask Rick if he can put out signs for the flush this Sunday.
- Request for 2023 Budget discussion at November board meeting. David suggests increasing Use rate by \$5 per quarter (\$125) = \$41K and Reserve Fund Fee to \$105 += \$15.9K. Estimated income will be about +\$56.9k/- My best guess estimate for expenses is close to \$72k; leaving us about \$15.1K shy of the mark. One RTC at \$16.5K will get us close to \$73.4. With over \$200k estimate in total assets by early 2023, we are still safe as far as meeting expenses even with no RTC next year.
- Sharon, mentioned the light was on in Well House #1. She will check and monitor.

**Adjourn Meeting**

The meeting was adjourned by Cyndy King at 10:55 am. Next Board Meeting: Saturday, November 19th, 2022.

When approved:

Meeting minutes have been written by Lydia Sikes, HHWC Board member.

Minutes were approved at the November 19th meeting, and a copy was put into the HHWC minute files and posted on the website.