

Holmes Harbor Water Company, Inc. (HHWC)
Minutes of the Board of Directors Meeting
Saturday, September 17, 2022

Open the HHWC Meeting:

- Holmes Harbor Water Company Acting President Cyndy King called the meeting to order at 9:43am on September 17, 2022.
- This meeting was conducted and recorded via a Zoom.

Roll Call:

HHWC Board members in attendance:

- Cyndy King, Acting President, Vice President
- David Paull, Treasurer
- Lydia Sikes, Secretary
- Nancy Sharp
- Sharon Dunn
- Rick Waclawik

Excused absences:

- None

Holmes Harbor Residents in attendance:

- None

Review Agenda:

- The September 17th agenda was reviewed, and accepted.

Approval of the August 20th HHWC Meeting Minutes:

- The August 20th HHWC Meeting Minutes were approved unanimously.

CONSIDERATION OF OPEN ISSUES

Treasurer's Report: David Paull

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- Treasurer's Report (TR) was sent out to all Board members before the meeting.
- 3rd version of June TR with small changes were approved unanimously.
- The August TR report and paid invoices were approved unanimously with striking the red text on line 26.
- Regarding September TR:
 - Note that both the USDA Reimbursement (3E) and the Final CJ Construction payment 19E are Final USDA funds for the piping project.
 - Note that semi-annual USDA Loan payment (9E) was withdrawn on time.
 - Note that the CD rolled over automatically and Matures on 8/26/23. (44A)
 - Note that corrected versions of both June and August TRs are included in the queue.
 - Note the UU Loc CTR invoice appears later in the queue than logic would suggest.
- The September TR reports and paid invoices were approved unanimously.

Repiping Report: Nancy Sharp/David Paull

- No more remaining work and funds status, as construction and finances are complete.
- Thanks to Nancy for all her hard work on this project.

USDA Audit Contract and Retainer – Nancy Sharp, David Paull

- Sam Steel returned \$4k to our bank and kept the \$3k retainer.
- Most info has been already forwarded regarding our search for a new Auditor. Candidates are Lonnie Rich and Laura Lindal.
- Following any board discussion, David believes/suggests that the selection decision be put to a vote; barring any objections. David will send an invitation to engage once the decision is made.
- Vote taken to engage Laura Lindal for the USDA Audit. Approved unanimously.

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Operator Manual and Warranties

Koni Reynolds mentioned a warranty inspection and will get back to us on that.

Wetland Restoration – Nancy Sharp

Nothing new. Report should come in October.

Water Testing: David Paull

- The July 20 combined source test came in at 0.0090, so close to trigger/MCL point of 0.010 that it is reasonable that the Arsenic plume may have reached Well #2. We have asked for separate source tests for two months now and have not received any feedback from KWC. We have also requested the August test(s) results with no response.
- Cyndy spoke to KWC regarding testing schedules with no response. Will try again. Asking for pre-testing on each well. Why is there such a long lag time on getting reports? How can we get it sooner? Nancy is skeptical of results, as they don't make sense. Perhaps we should be present during Sebastian's KWC sampling visit. Nancy will try to find contact info for Sebastian. If not Cyndy will try Nate at KWC. Question arose if there were any other water testing labs that will do sampling? Will look into this perhaps in the future.

Calendar for HHWC tasks - Rick Waclawik

- Add Island Co Franchise, expires 3/2028. Every 25 year
- Certificate of Insurance each year. Island County and USDA. Nancy will follow thru with this year's insurance certification.
- Next SAM Renewal Registration under USDA is March 2, 2023. Every year by previous renewal date. Start process 6 weeks in advance of date.

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- Rick will continue putting the calendar together.

Collections Update - Nancy Sharp

- Lot 5.6. water use almost paid, although several hundred still due on the reserve fee. Owner continues to make on-time payments on the payment contract.

Schedule DCVA Tests with KWC: David Paull

- There has been no response from Sandra (KWC), even though David asked for a return phone call and sent an email this past Monday (9/12) reiterating a reply as to whether she had sent out reminders to non-respondents to our 2021 cross-connection survey. Karen resent her list and the same eight names of non-respondents are still there. David also requested the list of the new 12 connections to be inspected/repaired this year and when she expects the work to start. No reply after calling in the morning and afternoon on Friday (9/16). David will check to see if anyone got a letter. Perhaps we need to find another back flow testing company. Cyndy will look into this.
- **Application for Additional Connections to the HHWc Water Share: David Paull**
- After sending Aneta another email last week she called David a bit before 2 PM on Friday (9/16) and informed him that in light of the county no longer having a hydrogeologist on staff (Doug Kelly retired last year) we will need to contract with a firm that will agree to conduct an analysis of our situation re possible salt water intrusion (SWI) and send her the report; which she will then submit to an outside firm that will evaluate the report and offer an opinion as to whether or not we should be allowed up to the 100 connections for which we have been approved by WADOH based on the Capacity Analysis of 2016, our current usage and how our wells are trending

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for SWI. She suggested that it would be most advantageous for us to get a report that would allow the max connections (100) so that we could avoid repeating the process in the future. She did not have a firm in mind, but sent David a list that Doug had left. Top of the list was Associated Earth Sciences, Inc. in Mt. Vernon.

- David called AESI in Mt Vernon (in business since 1981). He received a call back within the hour and spoke with Jay Chennault, the senior hydrogeologist on staff. After considerable discussion covering our past and current situation with replacing the system and our experience working with Doug on the SWI issue, he stated that his firm would be willing to work with us. He has worked on several systems and private, individual wells here on Whidbey, worked with Doug for years and is on good terms with Aneta. He then sent David a laundry list of information he would need, such as:
 - "Water quality (chloride and conductivity data ... all the data you have for each well)
 - Metering data (for each well that you have, for the time period that you have water quality data for)
 - Water level data – do you collect static (non-pumping) depth to water measurements periodically in the wells?
 - Current Water System Plan
 - Anything else you can think of that would be useful."
- In David's conversation he opined that he may be able to write a report on whatever we could send him (including David's communications with Doug Kelly) that did not require an onsite visit for aquifer analysis (about \$12.5k per well). In any case, if the board approves engaging with AESI, we could begin next week with a preliminary engagement. He also opined that if all went well - meaning that they could rely on information we supply and KWC to provide accurate sample data - and they were able to provide an approved report it would cost considerably less than \$25K. He said that they are aware that Sandra struggles to satisfy requests for samples on other projects, but that he is hopeful that KWC can provide what he needs.
- Discussion was had on financial responsibility to shop other companies. Nancy and David will draft an email to send out to the list of potential companies for obtaining proposals.

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CONSIDERATION OF NEW BUSINESS

None

Member Comment

- Sharon - Inherited champagne to dip into to celebrate the ending of the Piping project. All agreed to meet at the pump house 9/21 at 4pm.
- David suggested an Open House to the community in the future.
- Lydia mentioned an idea for a community garage sale in the Spring that Jeanne Rust would like to do. Cyndy will put it on next month's joint meeting agenda.

Adjourn Meeting

The meeting was adjourned by Cyndy King at 11:08 am. Next Board Meeting: Saturday, October 15th, 2022.

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

Minutes were approved at the October 15th meeting, and a copy was put into the HHWC minute files and posted on the website.