

Holmes Harbor Water Company, Inc. (HHWC)
Minutes of the Board of Directors Meeting
Saturday, May 21, 2022

Open the HHWC Meeting:

- Holmes Harbor Water Company President Nancy Sharp called the meeting to order at 10:12am on May 21, 2022.
- This meeting was conducted via a Zoom meeting due to COVID restrictions.
- This meeting was not recorded.

Roll Call:

HHWC Board members in attendance:

- Nancy Sharp, President
- David Paull, Treasurer
- Lydia Sikes, Secretary
- Sharon Dunn

Excused absences:

- Rick Waclawik
- Cyndy King, Vice President

Holmes Harbor Residents in attendance:

- None

Review Agenda:

- The May 21st agenda was reviewed and accepted.

Approval of the March 19th HHWC Meeting Minutes:

- The April 16th HHWC Meeting Minutes were tabled for an email approval due to a needed change.

CONSIDERATION OF OPEN ISSUES

Treasurer's Report: David Paull

- Treasurer's Report was sent out to all Board members before the meeting.
- April's Treasurer's Report and payment of bills were approved unanimously.

- Breakdown on 3014 (Repairs & Maintenance) show most such work as 3014 A to distinguish it from the work done for DCVA repairs and inspections (3014 B) - these costs to be reimbursed to HHWC by the customer - and 3014 C (Chemical costs), were added this year in light of the fact that there may be considerable price fluctuation in costs for chemicals due to supply issues that would be worth tracking in terms of budget allocation each year.
- Similarly, since Arsenic testing (3018 A) will *theoretically* be done every month, as is bacteria testing (3018 B); and other WQ tests (3018 C) which are often annual, semi-annual or even out to three or four years in frequency, tracking these expenses may heavily influence annual budget allocations as well.
- Lastly, while the total cost of replacing the roof at Well One pump house and restoring the fence came in at about \$1106, please note that the cost of 'labor' was a mere \$65 for the crew lunch - a bargain no matter how you look at it. Big Thank You to Cyndy and her Crew (she can supply the names.) BTW, since Cyndy moved here, she has saved HHWC thousands of dollars in parts and labor in her work on both pump houses and other physical labor-intensive work. An expression of gratitude is in order here, IMO
- TAX Return Prep and Report
 - o In an email from Dale on April 18, 2022, he had received our engagement letter and our tax information and did not anticipate that an extension would be filed. The due date for our return was May 15th. As of this writing David has not received any communication from him or his office staff regarding the filing of our tax return. He will query as to where this stands.

Repiping Report - Nancy Sharp

Update on remaining work and funds status:

- Well #1 pump replacement:
 - o C Johnson Construction (CJC) installed the new meter on April 21st. Corey agreed to bill us at the bid price, not the actual price, as the difference is about the same as the amount he agreed to reimburse us for the Farmington leak.
- Well #1 fencing:
 - o On May 4th, Doran Fence Co replaced the fence around the well house. It had been removed to provide access for the well pump

replacement. The total cost was \$462.83. Cyndy forwarded the invoice to David.

- Update from Robert Bennion on 5/20/2022:
 - o Robert is working with Sarah from C Johnson Construction (CJC) to close out the contract. There is going to be a slight difference with change order 8 since the meter and stand were supplied by CJC and Dahlman was out at the site longer than anticipated. Robert has only seen the bill from Dahlman and not the additions from CJC. He will put together a change order 9 to rectify any differences between Change Order 8 and the final bill. Robert will try and close out their remaining items with that final change order and payment.
 - o Robert has placed labels on the operating valves and added the directional tape to track raw, treated and back flush water. He is happy to meet David out at the pump house to check and see what additional markings or labels are needed. He can make either Tuesday or Wednesday work so he can set the time. Thursday he can do in the morning. David and Lydia will meet with him Tuesday at noon.
 - o Robert has reached out to CJC regarding any warranties and the proper ATEC manuals. He will continue to follow up with them regarding those items. He will send along a pump house asbuilt early next week with the updated items, as he was discussing that item with their dafter this morning. Shane in his office was updating a few flushing plans so that one is close also. Robert was looking for the one from King Water but was unable to locate it. If you have a copy I can mimic the format to stay consistent with the operator is used to seeing

Wetland Restoration – Nancy Sharp

- Shelterbelt's crew will make their first maintenance visit either next week (likely Wednesday 5/25) or the week after.

USDA Audit Contract and Retainer – Nancy Sharp

- A-133 Audit
Sam Steele is moving very, very slowly to complete the audit. He seems to have decided that having Davido Consulting Group (DCG) confirm 2019 payments and % completion for C Johnson Construction is what he needs (since, in his words, Corey and Darla are “blocking”

him from obtaining this information directly from CJC – not true). He has yet to send a confirmation request to Nancy to send to DCG.

- While Nancy has most of the information about the progress on this, David has been kept apprised of the communications with Mr Steel, who apparently is somewhat close to producing a final document to be presented to USDA for approval. Nancy and David, as well as all of the entities with whom we conducted financial business with for this project in 2019 (WIB, CPA, CJ Construction, etc) have provided documents and confirmations that he has requested.

Water Testing – David Paull

- Arsenic Level
The testing results included in the KWC Invoice and other docs that David forwarded to the Board earlier this week include the Bacteria, Arsenic (now monthly) and Conductivity/Chloride (Salt-Water Intrusion) tests; the latter tests being performed semi-annually. While the Arsenic test on Well One was helpful, KWC has been notified that we will need a 'final product' test soon in order to determine whether or not the Ferric Chloride/Chlorine treatment is producing a lower As level for distributed water. (David *spoke with Brenda about this on Thursday and she said that this test is scheduled some time this month.*)
- Nancy will check with KWC to confirm our water testing schedule and visit intervals.

Collections Update - Nancy Sharp

- Owners continue to make on-time payments on the payment contract. The amounts currently owed are \$465.46 for water use (no late fees included) and \$240 Water reserve fund (included \$30 in late fees as of 4/20/2022).

Water connections Update - Cyndy

- The simple back-flow preventers mentioned last month are check valves installed by King Water Company. They are place holders until the DCVA's can be installed.
- Account 1.17 (Falkenbury) has been advised by Cyndy to expose his water line where he wants the DCVA. He says King Water has been out 5 times, and has yet to do the install. As of May 17th, he informed Cyndy that he has exposed his water line.
- King Water installed all 5 DCVAs May 20th. Please see attached "New Water Service Connections" chart for notes on the installations.

CONSIDERATION OF NEW BUSINESS

- Right to Connect - David
The accepted general principle in determining a RTC Fee for small water systems in this state is to divide the current replacement cost of the entire system by the number of approved *possible (not existing)* connections. At this time it is reasonable to state that the replacement cost is at least \$1.65M, simply because that is about what it would cost for the most recent project if you take into account the astonishing increase in labor and material costs just since 2019. (*Some materials doubled in cost between the time they were delivered to our site and the time they went into the ground!*) With 100 approved possible connections to our water share (as determined by WADOH), that would suggest a RTC fee of \$16,500 as of this instant. It is David's recommendation that we vote on an amount that reflects that increased replacement cost of the system and post it on our website with an effective date (perhaps 90 days out) as well as notify existing lot owners of any increase in that fee; giving them an opportunity to make a decision about how soon they may want to initiate building on their property prior to the effective date of the fee increase. David also recommends that this issue be revisited every three-four years with an eye to raising it about \$1,500 each time it is determined that inflation may increase the replacement cost. Changing it more frequently (as in annually) could raise the ire of many lot owners who may/will (as others have in the past) claim to be blindsided/caught flat-footed by the increase.
- Motion was made to raise the Right to Connect water fee to \$16,500 as of September 1st. Vote taken and it unanimously approved. David will draft an informational notification to the community to be put on the website and added to the community newsletter Kristin is putting together.

Member Comment

- None

Adjourn Meeting

- The meeting was adjourned by Nancy Sharp at 10:55 am.

Next Board Meeting: Saturday, June 18th, 2022

Meeting minutes have been written by Lydia Sikes, Secretary of the HHWC Board.

Will be added when approved:

Minutes were approved at the June 18th meeting, and a copy was put into the HHWC minute files and posted on the website.

Attachment:

ACCT #	NAME	ADDRESS	METER?	DCVA?	# of BOXES	NOTES
7.2	Burnham	Keesling	Y already billed by KWC	Y 5/20/22 already billed by KWC	1 over-size 5/20/22 box left on surface	In-line check valve instead of DCVA 5/20/22 replaced w/ DCVA DCVA
8.37	Hytte	844 Keesling	Y not on KWC invoice	Y 5/20/22	1 meter-only box 5/20/22 2 boxes left on surface awaiting water connection	Needs 2nd box and DCVA 5/20/22 done
8.15	Hefflinger	818 Delphinium	Y already billed by KWC	Y 5/20/22 already billed by KWC	1 over-size	In-line check valve instead of DCVA Has hydrant installed by owner 5/20/22 replaced w/ DCVA
8.16	Krolkowski	2671 Harbor Estates	Y already billed by KWC	Y 5/20/22 already billed by KWC	1 over-size 5/20/22 lots of erosion under box	In-line check valve instead of DCVA 5/20/22 replaced w/ DCVA
1.17	Falkenbury	826 Farmington	Y already billed by KWC	Y 5/20/22	1 meter-only 5/20/22 box for DCVA installed by foundation	Owner has installed water line to house. Will need to expose it to install DCVA in separate box near house. Owner has been asked to mark where he wants DCVA box (5/16)
<p>Note: Over-size box will accommodate both the meter and the DCVA on a tandem resetter</p>						