

Holmes Harbor Water Company, Inc. (HHWC)
Minutes of the Board of Directors Meeting
Tuesday, November 19, 2024

Open the HHWC Meeting:

- Holmes Harbor Water Company President Cyndy King called the meeting to order at 6:02 pm on November 19, 2024.
- This meeting was conducted via Zoom.

Roll Call:

HHWC Board members in attendance: There is a quorum.

- Cyndy King, President
- Nancy Sharp, Treasurer
- Sharon Dunn
- Matt Lowder
- Rick Waclawik, Secretary

Unexcused absences:

- None

Excused absences:

- David Paull, Vice President

Holmes Harbor Residents in attendance:

- None

Review Agenda:

- The November 19th agenda was reviewed.
 - The agenda was accepted as written.

Approval of the October 15th HHWC Meeting Minutes

- A motion was made to approve the October 15th HHWC Meeting Minutes, and the motion was approved unanimously.

CONSIDERATION OF OPEN ISSUES

Treasurer's Report: Nancy Sharp

Approval of the Amended October TR

- The amended October Treasurer's Report (TR) was sent out to all Board members before the meeting.
- Nancy made a correction to fix the calculation of the ending balance –

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everything should be good now with this TR and future TRs.

- A motion was made to approve the amended October Treasurer's Report. The motion was approved unanimously.

Approval of November TR

- The November Treasurer's Report (TR) was sent out to all Board members before the meeting.
- Branch Business Services (BBS) did not charge us for the 3rd quarter reserve billing/mailing.
- Branch Business Services (BBS) also sent Nancy a corrected profit/loss statement.
- Nancy discussed the remaining bills/invoices that need to be paid. This included NNW sending us invoices for the previous two months.
- We still seem to have issues with water reserve payments being booked as water use, which has been an ongoing issue. This is an accounting issue and not a revenue issue.
- A motion was made to approve payment of the bills/invoices as presented and to approve the November TR. The motion was approved unanimously.

2025 Budget: Nancy Sharp

2025 budget options (to increase our planned revenue or lower expenses for 2025)

- Using a collections agency to collect overdue balances for accounts that are significantly late and/or have significantly overdue balances.
- Look at the rates we charge for our tier usage and/or increase our base rate.
- Look at replacement system operators / bookkeeping services (see the notes below)
- Cyndy mentioned her willingness to handle water line locates to save that money within our budget.

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System Operator Choices

- We are in discussions with Paul Vinsant about taking on support for our water system. He has all the required certifications. The initial discussion with Paul took place on Monday, 11/18/2024.
- We believe Paul's annual costs would be about \$6,000 below Northwest Natural Water. But we need to keep in mind that Paul told us that he doesn't have all the heavy equipment needed to handle emergencies – so he would have to rent this equipment when needed. This is a risk that we must decide if we are willing to take on if we select Paul to manage our water system.
- Nancy and Cyndy discussed meeting one more time with the NNW representative to discuss performance issues and to see if they can reduce their proposed costs for next year. This meeting is scheduled for 12/3/2024. We need to find out if NNW has filed the required CCR and Water Use Efficiency report with the appropriate government agency. We have other issues/items that we need to negotiate/clarify with NNW.
- We also want to get some clarifications from Paul Vinsant about him having a backup in case of him not being available when we need support. We also need to understand the lead times for Paul to take over our water management responsibilities if we want to have Paul take over management of our water system.
- Our board is going to schedule a special meeting for Tuesday, 12/3/2024 at 6 p.m. to evaluate and potentially vote on a water system manager.

Billing / Bookkeeping Choices

- Nancy spoke with Dawn of BBS (Branch Business Services) about proposed increases.
- Windermere Property Management would charge us \$15.00 per

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mailing – which would be approximately \$5,850 annually. This would cover both billing and bookkeeping services.

- The board is going to do one additional round of checking with other bookkeeping services before we decide on who to use going forward.

USDA Loan Maintenance - Cyndy

Wetland Restoration - Cyndy

- Meg has submitted the final report to the USDA, and they have acknowledged receipt of the report (on November 7th).

Water Testing Report - Cyndy

- Arsenic test result reports have been received – results were good (under the EPA limits).
- No other test results received this month.

Calendar for HHWC tasks - Rick

The following tasks were reviewed:

- Pump House Lock Maintenance – October – complete.
- DCVA Testing – Mike Anderson (GCF Backflow Services) began this testing on Saturday, October 19th and the remaining homes will have their DCVAs tested sometime in December.
- Has KWC/NNW notified us about the pending system flush? – Cyndy spoke with a representative from NNW/KWC and they agree that a system flush only needs to happen once per year and will be in the spring or summer of 2025.
- Water System Flush (October) – Cancelled, will be done next during April or May of 2025.
- Install the Heat tape on the reservoir drainpipe (November) – Pending.
- Turn off the dehumidifier in the pump house (Fall) – Done.

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- Turn on the heaters in the pump house (Fall) – Done.
- Prepare Annual Budget (September) – In Progress.
- Review Right-to-Connect fee, Water Reserve fund assessment, water use fee including the tier usage structure (Fall). Cyndy would like us to look at our water user tier water usage structure. – In Progress.
- If any fees changed, notify the community of changes (email, web site, snail mail) (Fall/December) – Pending.
- Prep for the Annual Meeting – November/December – In Progress.
- Wetland monitoring report to USACE (October) – Done.
- DRAFT Annual budget and projected cash flow plus the EOY RD 442-2 report – In Progress.

System Flush & Hydrant Service – David /Cyndy

- Nate and Nick (NNW/KWC) agreed that this only needs to be done once per year.
- The Central Whidbey Fire (CWF) service will contact David or Cyndy when they are ready to check fire flow rate on hydrants 7-10 later this year; no specific date given.

DCVA Testing – David/Cyndy

- Mike Anderson from GCF Backflow Services, who is now going to handle our DCVA testing, completed the first round of DCVA testing on October 19th.
- Mike Anderson will test the remaining DCVAs that need to be tested by the end of this year.
- Houses that are low risk for backflow issues technically don't have to have DCVAs. The board may want to consider letting the owners that are at low risk for backflow problem remove their DCVA which might help with water pressure issues.

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Low Pressure on Buena Vista – Cyndy

- Mike Anderson checked the DCVA for the Buena Vista home with low water pressure – they have over 65 PSI at the DCVA but the connection to their home goes uphill from the DCVA, so this connection loses pressure due to this uphill design.
- Cyndy is communicating with the homeowner about options for addressing this issue. This will continue to be a discussion item until an agreement is reached on how to address this issue.

Account 1.20 – Request for Installation of Meter and DCVA – Cyndy

- The installation (by NNW/KWC) of this meter and DCVA is scheduled to be completed on November 20, 2024. The homeowner has told us that they have sent in their water-related payments via priority mail, and it should be received by Branch Business Services later this week.

CONSIDERATION OF NEW BUSINESS

Pressure tank replacement – Cyndy

- NNW/KWC has confirmed that one of the pressure tanks in the pump house has failed and a new tank has been ordered.

Board Member Comment

- None.

Community Member Comment

- None

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Adjourn Meeting - 7:52 p.m.

Next Meeting: December 17, 2024, at 6:00 pm

Action Items from the October 20 HHWC meeting

1. Follow-up with Paul Vinsant with about his having a back-up when he is not available and we also need to know about lead time required to take over management of our water system.
2. Post an announcement for a special board meeting to make a decision on who we want to manage our water system.