

Holmes Harbor Water Company, Inc. (HHWC)
Minutes of the Board of Directors Meeting
Tuesday, December 17, 2024

Open the HHWC Meeting:

- Holmes Harbor Water Company President Cyndy King called the meeting to order at 6:04 pm on December 17, 2024.
- This meeting was conducted via Zoom.

Roll Call:

HHWC Board members in attendance: There is a quorum.

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

Unexcused absences:

- None

Excused absences:

- None

Holmes Harbor Residents in attendance:

- Jeremy Aaron

Review Agenda:

- The December 17th agenda was reviewed.
 - The agenda was accepted as written.

Approval of the November 19th HHWC Meeting Minutes

- A motion was made to approve the November 19th HHWC Meeting Minutes, and the motion was approved unanimously.

CONSIDERATION OF OPEN ISSUES

Treasurer's Report: Nancy Sharp

Approval of the Amended November TR

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

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- Nancy made minor corrections with the savings account information – everything should be good now with this TR.
- A motion was made to approve the amended November Treasurer’s Report. The motion was approved unanimously.

Approval of December TR

- The December Treasurer’s Report (TR) was sent out to all Board members before the meeting. The latest update now includes the Matt Walker invoice (attorney) for reviewing the proposed contract with Northwest Natural Waters and a short meeting he held with available board members to discuss his contract review findings.
- Branch Business Services (BBS) included a small postage fee along with their normal charges.
- Cyndy questioned an item within the NNW invoice for installing a new water meter and DCVA for the house being built next to her home – they charged for 7 hours for two techs.
- Nancy generated 1099s where applicable.
- A motion was made to approve payment of the bills/invoices as presented and to approve the December TR. One exception is the Northwest Natural Water invoice which will not be paid until we agree on their bill for the meter and DCVA installments detailed above. The motion was approved unanimously.

2025 Budget: Nancy Sharp

System Operator Choices - NWNWS 2025 Contract

- Paul Vinsant has told us he can’t take on management of our water system at this time – but we will continue to work with him on getting him training on how to maintain our arsenic treatment system so that he can consider taking on management of our water system at a later time.

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- Meeting with JJ Olson - David, Sharon, Cyndy
 - NNW is open to reducing us to one visit per week.
 - We could look at having selected tasks done by other vendors – like meter and DCVA installs, locates of utility lines, etc.
- Meeting with Matt Walker (attorney that reviewed the proposed contract with NNW) - David, Sharon, Cyndy
 - Has advised us not to sign the proposed contract as is – he has suggested several changes.
 - We believe NNW will only be open to changing the number of visits from 2 per week to one per week.
 - Cyndy will send out our revised contract to JJ Olson of NNW with our desired changes and we'll see what kind of a reaction we get from JJ.
- WIWSA Meeting - David, Nancy, Sharon, Cyndy
 - Cyndy's take away from the meeting was that we need more SMAs (System Management Agencies) to work with on Whidbey Island.
 - Various neighborhoods represented at this meeting stated their dissatisfaction with the service provided by NNW.
- A motion was made to sign a new water system management contract with Northwest Natural Water LLC for 2025. We are doing this since we don't believe we have a reasonable alternative to using NNW currently.

Billing / Bookkeeping Choices - Nancy

- Nancy discussed the increased costs for continuing to use BBS (Branch Business Services) for our bookkeeping and billing services.
- Nancy has discussed moving our billing and bookkeeping services to Northwest Bookkeeping (Cindy Zimmerman) and Nancy would like us to move forward with switching to Northwest Bookkeeping after BBS completes our 4th quarter billing.

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- Cyndy made a motion that we go ahead and approve moving our billing and bookkeeping work to Northwest Bookkeeping. We will work with Northwest Bookkeeping on the timing of this switch. The motion was seconded and approved unanimously.

USDA Loan Maintenance - Nancy

- The next payment to USDA is due in February – Nancy does not anticipate any issues in making this payment.
- Nancy mentioned that there are additional forms that need to be completed for the USDA. Cyndy will assist with the completion of these reports.

Water Testing Report - Cyndy

- Cyndy received the October and November arsenic testing reports from NNW. The October combined test results were good, and November results were higher but still within the EPA limits.
- We are going to propose doing arsenic testing quarterly and only for a combined water sample. It was also suggested that we should test non-combined samples once or twice per year.

Calendar for HHWC tasks - Rick

The following tasks were reviewed:

- DCVA Testing – Mike Anderson (GCF Backflow Services) cancelled the planned December testing due to the weather. This testing will be rescheduled for some time in January.
- Install the Heat tape on the reservoir drainpipe (November) – Pending.
- Prepare Annual Budget (September) – Done.
- Review Right-to-Connect fee (no change), Water Reserve fund annual assessment will not change. The water use fee will increase

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by \$6.00 per quarter), water use tier usage structure will not change other than the base fee moving from \$120.00 to \$126.00 per quarter. This task is Done.

- If any fees change, notify the community of changes – this will happen at the annual meeting and the budget will be made available to all on the website before the annual meeting – Done.
- Prep for the Annual Meeting – November/December – In Progress.
- DRAFT Annual budget and projected cash flow plus the EOY RD 442-2 report – Done, sent on November 30, 2024.

Hydrant Service – David

- 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 or early in 2025; no specific date given. We still have not heard from the CWF with an update on when this task will be done.

DCVA Testing – David/Cyndy

- Mike Anderson (GCF Backflow Services) called and cancelled the planned December testing due to the weather. This testing will be rescheduled for some time in January. The cost is \$40.00 per test plus additional fees if any repairs or replacements need to be done.
- Mike Anderson has told us that he wants to invoice via email. Cyndy sent out a notice to the neighborhood asking about being invoiced via email – so far only two homeowners have indicated that they want paper invoices. The board will work on getting email addresses to Mike for sending out invoices.
- Jeremy Aaron (resident) discussed his concerns about these costs and how the process works. Cyndy walked through how this testing and repair process will be done and noted that this testing must be done

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annually for any lots “at risk” for backflow issues, and less often for homes that are not at risk.

Low Pressure on Buena Vista – Cyndy

- Cyndy spoke with the homeowner with the low water pressure issue – the proposal is that the homeowners will split the cost with the board, and they will look to contract out this work in the summer of 2025. The board will continue to work with this homeowner on possible solutions.
- Cyndy also noted that if the home has a smaller diameter water service line running to their home, the homeowners might want to consider putting in a larger diameter service line as one way to improve the water pressure within the home.

Pressure tank replacement – Cyndy

- Cyndy has texted NNW about replacing our bad pressure tank. They have not responded. We will continue to follow-up including looking for other vendors to do this installation for us.

CONSIDERATION OF NEW BUSINESS

Annual Meeting – Cyndy

- Discussed if current members whose terms on the HHWC board end this year (David & Sharon) are willing to stay on for another term.
- We also discussed the need to add new members – we can have up to 9 board members.
- Topics for the agenda:
 1. Discussion of the DCVAs
 2. Water Usage Rates

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3. Water Operator discussion
4. Billing and Bookkeeping search
5. Updating our service policy, potentially making it a resolution (this may be rolled into the President's report)
6. President's report
7. Report on increasing expenses from our water system management company
8. Budget review

Consumer Confidence Report (CCR), Water Use Efficiency (WUE), Water Facilities Inventory updates

- We need to get the CCR to Branch Business Services to include in the 4th quarter billing. We have already received the CCR.
- WUE report can be done by the board. Nancy will work with David to create this report.
- The Water Facilities Inventory update needs to be sent to the WA DOH ODW (Washington Office of Drinking Water) – Cyndy will work on this report.

Board Member Comment

- Nancy discussed contacting ATEC systems about doing training for our arsenic treatment system. We are still waiting to receive this training manual. ATEC noted that they are willing to do training which we would like to do with Paul Vinsant.

Community Member Comment

- None

Adjourn Meeting - 7:30 p.m.

Next Meeting: January 21, 2025, at 6:00 pm