

Holmes Harbor Water Company, Inc. (HHWC)
Minutes of the Board of Directors Meeting
Saturday, March 16, 2024

Open the HHWC Meeting:

- Holmes Harbor Water Company President Cyndy King called the meeting to order at 10:16 am on March 16, 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

Excused absences:

- None

Holmes Harbor Residents in attendance:

- None

Review Agenda:

- The March 16th agenda was reviewed – The agenda was accepted as written.

Approval of the January 20th and February 10th HHWC Meeting Minutes

- The January 20th HHWC Meeting Minutes were approved unanimously.
- The February 10th HHWC Special Meeting Minutes were approved unanimously.

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CONSIDERATION OF OPEN ISSUES:

Treasurer's Report: Nancy Sharp

Approval of the March TR

- The Treasurer's Report (TR) was sent out to all Board members before the meeting. All board members were able to open and review the documents.
- Nancy is asking for reimbursement for the purchase of one ink cartridge – to cover the cost of HHWC printing done at her residence.
- The bills to be paid included Whidbey Island Water Systems Association annual dues, PSE invoice, and NNW invoice for this month.
- Cyndy asked about a charge from NNW for cleaning the chlorine tank in the pump house – we feel it should be a part of the standard bill to be paid. Cyndy contacted NNW about this charge and the person she spoke with agreed. The board agreed to wait to pay this NNW invoice until this charge is removed.
- A motion was made to approve the TR and to pay all bills except the NNW invoice until that invoice is corrected. The motion was seconded and was approved unanimously.

Tax Prep

- Nancy received copies of the 2022 and 2023 balance sheets and the end of year profit and loss report from NNW. These reports were then uploaded to Jeffie Pike's drop box (our tax preparer). He acknowledged receipt of the documents but told us that they are working on other returns that have earlier due dates and will get to ours before its due date. Our tax return is due by May 15th.
- Nancy mentioned that the tax preparer asked for payment up front but we normally don't pay the fee for preparing a return until it has been completed. The tax preparer agreed to do the return first and allow us to review it, but that they noted the return will not be

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filed until payment is received. The board agreed with that approach.

USDA Loan Maintenance / Wetland Restoration – Cyndy King

- Meg from Marine Surveys & Assessments sent us an email with the schedule for the 5th and final year of wetland maintenance and monitoring. Planned visits are scheduled to take place in May and July.

Water Testing Report: Cyndy

- NNW is now using Edge Analytical to do our water testing.
- We requested that they send us test results monthly. Last month's test results all were fine.
- Both wells were arsenic tested using untreated water and the results were as expected. One well was above EPA limits, the other below. But once the water from the well with higher arsenic levels was treated our combined water test results were well below the EPA limits.
- The board will continue to monitor test results to determine if we need to start treating the water from the 2nd well to ensure our combined water arsenic levels remain consistently below EPA limits.
- Well depth testing and a water system flush should happen in April.

Calendar for HHWC Tasks - Rick Waclawik

- The 2024 calendar and a review list from the calendar were sent out to all board members prior to this meeting.
- The review list was walked through, and the following updates will be made to the calendar:
 - o NNW/KWC - Water system flush – we have not been notified yet so we will need to follow up. The actual test is pending.
 - o Hydrant/Blow-Off Assembly service – due in April – pending.
 - o Federal Tax filing – in progress – due May 15th.
 - o Remove Heat tape from the reservoir drainpipe; Turn off the heaters in the pump house; Turn on the dehumidifier in the

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pump house – these tasks are all pending but will be done soon.

- o Well SWL (Static Water Level) Testing and Deliver the SWL report to Island County – both due in April – pending
- o Chloride & Conductivity test – April – pending,
- o Saltwater Intrusion (SWI) analysis report from AESI - board review and approval – N/A, this task only needs to be done when requested by the county. Priority of this task was also changed to “Low”.
- o USDA Loan payment of \$17,220 automatically deducted from checking – February – complete.
- o Renew our SAM registration (System of Award Management) – complete.
- o Renew wetland mitigation contracts for maintenance and monitoring - Not required - waiting for them to send us a contract – this will be the final year of wetland maintenance and monitoring.
- o RD 442-2 quarterly reports – these reports are no longer required by the USDA, so we are removing these tasks from our calendar.

CONSIDERATION OF NEW BUSINESS

NNW/KWC Management Fee increase

- We were informed of the NNW/KWC management fee increase a couple days after our February meeting. We have told NNW that we have questions about these questions.
- The next meeting of the Whidbey Island Water Associations meeting is scheduled for next week and the NNW fee increases is one of the topics to be included. Cyndy will forward the zoom link for this meeting to all board members.
- Due to issues in the pump house, Cyndy has asked NNW to keep all chemicals in the chemical room and the eye wash station should remain accessible.

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- NNW did follow up and addressed the pump house concerns. This was good news. We expect to get billed for this work.
- We are still waiting to receive our new contract from NNW/KWC.
- We discussed possible moves to other vendors for selected tasks that are currently performed by NNW/KWC. The items discussed included:
 - DCVA testing and repairs if needed – holding off on this item.
 - Billing and Bookkeeping – Nancy met with Dawn (Branch Business Services) and their rates are much more competitive than NNW for these services – we believe NNW charges for these services is going to be \$ 743.50 per month and Branch is asking about \$ 434.00 per month for the same services. The new NNW rates go into effect April 1, 2024.
 - The board agrees that we should switch to Branch for handling our billing and bookkeeping as soon as possible. Not sure we can make that happen in time for April, but we will make the switch as soon as it can reasonably be transferred and set up.
 - A motion was made to move to billing and bookkeeping services from NNW to Branch Business Services. Timing of this move is dependent upon Branch Business Services' ability to complete the transfer. The motion was seconded and approved unanimously.

Board Member Comment

- Cyndy commented that Hank Fresonkie's lot on the corner of Keesling and Van Dee has had a meter installed and the water service has been connected.

Member Comment

- Agreed that we need to give Matt Lowder, our newest board member, a tour of the pump house. David will take Matt with him on his next pump house check to give Matt the tour.

Adjourn Meeting

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The meeting was adjourned by Cyndy King at 11:21 am.

Next Meeting: Saturday, April 20, 2024, at approximately 10 am (after the joint boards meeting).

Meeting minutes have been written by Richard Waclawik, HHWC Secretary.

The January 20th and February 10th meeting minutes were approved at the March 16th meeting. A copy will be put into the HHWC minute files and posted on the website.