

WATER COMMITTEE MEETING MINUTES OCTOBER 11, 2013

Members Present: Janet Podell HMC Board, Charles Smith WDM, Judy Greinke Chairman, Sue Pottroff, Terrill Chilson, Claudia Ellsworth – Island manager

Members Excused: Kathy Duester, Dana Gruber – recording secretary

Water Committee Meeting started at 9:00 AM at the Community Center

Cross Connection Control - Dept. of Health requires NWS as managers of our system, to carry the responsibility for implementing the components of the HMC Cross Connection Control Program. This is a required service and charged to HMC on an hourly basis. Claudia and Judy will meet with their representative, Stephanie Yount, to see what tasks can be done by HMC staff or committee members to reduce some of the expense.

Budget Review - The 2012/2013 Water Budget was very close to actual costs except for water samples. These expenses went over budget because of the distribution line construction and the many extra tests that were required.

Northwest Water Systems (NWS) began managing our water system in August of 2013 giving Water a monthly cost savings of \$233. These savings were calculated into our 2013/2014 Budget. Claudia and Charles continue to implement NWS management coverage into the Herron Island Water Department.

The Water Reserves from the 2012/2013 Budget were reduced by \$8,000 at the July Board Meeting when the Board voted to transfer \$8,000 out of the water checking account which caused a short fall and then replaced the \$8,000 from the Water Reserves back into checking. Background: The \$8,000 was deposited as a buffer into Water Checking Account when USDA reimbursed for construction expenses incurred by the Water Dept. in 2011/2012. HMC checking account was reimbursed \$32,000 from USDA for their portion of previously paid construction expenses. This was not a loan to HIWater from HMC, it was a reimbursement from USDA. Discussions disclosed the intent of separating Water finances, accounting, and checking account (writing a separate check to HIWater, etc.) and the adopted Water Financial Policy was to insure that our Water Department would not be caught in the financial problems of the past, therefore no water funds can be used to subsidize HMC. *Financial Policy - 1. "The Water Department is a self-balancing entity in which water-related costs are supported by water-related revenues. The Water Department does not subsidize HMC General Assessments and is not subsidized by HMC General Assessments."* Judy will continue to sort out information about why this withdrawal occurred and what the Board's intent is for the future.

The 2013/2014 budget includes 500 hours for our Water Distribution Manager (WDM) Charles Smith and a line item for parts and equipment. Claudia will give Charles a copy of the budget statement each month so that he can work with Claudia to track expenses.

Meter Reading - Carolyn Snyder is reading the water meters each month which produces a leak list. Claudia writes to each member from the list so that they are notified and can get their leaks fixed. Fred Fath is working with Carolyn to write software that will be used to document meter readings, water usage, and billing. When finished, Fred will send the committee the data so that we can start looking at average daily water use to help determine water rates for the next fiscal year.

Water Use Efficiency (WUE) Report – The Committee will assist Claudia in gathering figures needed for our report which is due in July. Conservation Goals will be presented at the annual meeting in June, revised if needed and used in our WUE Report.

Water Department Projects - There is a reduction of member's new water-connection problems and concerns that Charles must deal with each month. He is now working on the flushing schedule. Charles has taken inventory and organized many galvanized water parts which are unusable with the new system but are in good condition and now for sale. These may be listed on Craig's list and Beachcomber. Charles has completed the outside painting and cleaned the inside of the pump house. He is compiling a list of additional projects that need to be done as time allows, and will provide a copy via email to all committee members.

The Water Committee will be meeting monthly on the first or second Friday of each month to assist Charles and Claudia with any needed tasks.

Judy Greinke - Water committee chairman