

SCATCHET HEAD WATER DISTRICT (SHWD)
ISLAND COUNTY WASHINGTON

Minutes for August 18, 2026

MEETING PLACE

Scatchet Head Community Club Building, 3742 Driftwood Drive, Clinton, WA

IN ATTENDANCE:

Commissioner Lipoti
Commissioner Mullins
Commissioner Peterson

COMMUNITY MEMBERS IN ATTENDANCE

Jordan Boyer
Drea Boyer
Cynthia Butler

The meeting was called to order at 7:02 PM by Commissioner Lipoti.

Commissioner Peterson read the land acknowledgement.

Public Comment

A question was raised about whether people are living in the houses that have locked meters. Commissioner Mullins has visited the homes and determined that 3 of them are still locked. All of the past due payments were paid up for one of the homes, but there are squatters in the home now.

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Approval of the minutes from July 21, 2026 regular meeting was moved by Commissioner Mullins, seconded by Commissioner Peterson, and passed unanimously.

Vouchers

Approval of operational vouchers in the amount of \$13,716.95 and electronic vouchers of \$551.10 for a total of \$14,268.05 was moved by Commissioner Mullins and seconded by Commissioner Peterson. It passed unanimously.

Financials and Accounts Receivable

Financial statements were reviewed and discussed. We will need \$4,750 transferred to an account for our debt service for this year's contribution. We will need to transfer an additional \$9,500 in January 2027. Additionally, we need \$8,675 transferred into our

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short-term asset account for this year. Commissioner Mullins will follow up with Dawn Wilson to get these transfers made. All of the Commissioners were in unanimous agreement that this must be done.

Branch Business Services prepared a draft budget for 2027 and it was discussed by the Commissioners. There will need to be a few changes beyond the proposed increases due to escalating costs for utilities and chemical supplies. After the Department of Health inspection, there are a few areas which will have to be addressed by the District. These will be discussed under New Business.

Accounts receivable was discussed in the public comment period regarding the locked meters. Meter reading took place in the last few days, and the billing will shortly follow.

Audit Report – Posted on Website

The audit report for the last 3 years was received, and it has been posted on the website. The last 3 years has been a time when the entire system upgrade project was undertaken with contractors, subcontractors, engineers, inspectors, and an expenditure of \$3.1M. The USDA required a special audit of their portion of the work. The District passed all audits without any deficiencies noted. A major accomplishment.

Review of Operating Reports

Nothing was remarkable in the operating report.

Old Business

On July 27, 2026, the area of settlement under George drive was addressed by SRV. There was no water found under the pipe in that area. However, in the area at the end of George Drive, where it intersects with Driftwood, there was a significant leak. The pipes were re-buried and SRV obtained all of the parts necessary for fixing the leak. SRV came on site on August 4, 2026. After SRV dug up the pipe, they determined that the method they had used to seal the pipe did not hold. They jackhammered the old cement, and replaced the entire joint with a cast iron joint with a good seal. They also used Jersey barriers as thrust blocks to ensure that the pipes do not move. The area was filled, and both areas were paved on August 5, 2026. Since water had to be shut off for Driftwood Drive customers, when the water was turned on, there was a Precautionary Boil Water order. The order was lifted on August 6, 2026, after the sample sent to the lab was found to be clean.

Commissioners discussed several projects that need to be completed. Based on a discussion with Curt Schoenfelder, Commissioner Mullins says that there are tasks totaling \$1.8M that should be done but were not able to be completed with the loans that SHWD received. Commissioner Mullins suggests that as we pay down the PWB loan, we get ready to apply for funding (in the next 20 years) to undertake these projects.

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A smaller task that would make a big difference is to replace the lighting in the treatment plant and the lights outside with LED lights equipped with a motion detector. Commissioner Peterson will work with Wayne the electrician to get this work done.

A proposal was received from Integrated Underwater Services for inspection of both reservoirs and removal of silt if necessary. The proposal is to use an ROV to perform the inspection. The cost was \$6,031. Since the Department of Health had mentioned that this was necessary every 3 years, and it was perhaps 8 years since it had been done (according to Commissioner Mullins recollection), Commissioner Peterson moved, Commissioner Mullins seconded, and it was unanimously approved to proceed with this work.

Commissioner Peterson discussed the files that he has assembled in order to fulfill the public records request. He proposed to send an email to Charlotte Archer to get her input into the message back to the requestor. He has found 160 files for a total of 639 MB and has them all prepared to place in a drop box for ease of transfer. After Ms. Archer provides the proper wording, the request can be fulfilled. The cost for the files is minimal (\$65.90) which would be remitted to Branch Business Services.

New Business

The Commissioners received a price quote from Water and Wastewater Services subsequent to meeting with them. The price quote is for \$9,203.46 monthly to come 5 days/week. The Commissioners will tell WWS that we decline their proposal.

A customer applied for leak forgiveness in the amount of \$46.70. A motion was made to approve by Commissioner Mullins, seconded by Commissioner Peterson, and unanimously approved.

The results of July bacterial testing was received and we are in compliance.

Commissioners discussed providing comments on the record to the County on the revised Franchise Agreements. Commissioner Lipoti will draft comments to be sent to the County.

The Department of Health conducted an inspection of the SHWD on August 14, 2026. Commissioner Peterson was in attendance. There are a number of changes that SHWD must make. Someone must measure the Chlorine 5 days/week. Currently, NW Natural comes 3 days/week. A volunteer could be taught to do the chlorine the other two days. It was a consensus of the Commissioners that they would prefer to have NW Natural do the testing. Static water level in the wells must be taken monthly, as well as manganese measurements in the finished water. NW Natural provided a cost of \$1997 to come 5 days/week, and the Commissioners voted unanimously to accept this proposal. There will also be additional charges based on time and materials for the monthly testing of manganese and static well levels.

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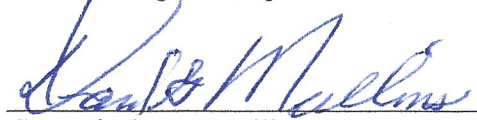
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The DOH inspection also requires that there be a way to measure the level of water in the reservoirs, and that the top of the reservoirs be inspected. The Commissioners were in agreement that they would like to have an indication of water level in the reservoirs, and would like NW Natural to obtain a quote to get that done. Since they are having the ROV inspection of the tanks, perhaps that company can take pictures of the top of the tanks for the inspector.

Recently, in the news, there were many reports of Iranian hackers getting into the water system controls in Michigan and other states. The hackers were able to change the quantity of chemicals in the treatment system and manipulate valves and pumps. The Commissioners want to assure our customers that there are no computer controls of any kind in the SHWD treatment and distribution system.

The last item to be discussed is a sad one. Commissioner Mullins said that he would like to resign by the end of the year. He has enjoyed his service on the Water District, but he is ready to turn over the work to a new Commissioner. Commissioner Lipoti thanked Dave for his years of service, and in particular to these last 3 years during the System Upgrade. Commissioner Peterson also expressed his gratitude for all of the hard work dealing with the financial aspects of the District. Commissioner Mullins said he would stay on until a replacement could be found, but he is hopeful to have a good transition at the end of the year.

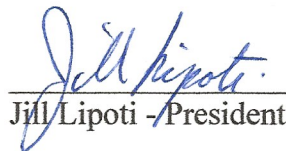
The meeting was adjourned at 9:10 PM.



Commissioner Mullins, Treasurer



Commissioner Peterson



Jill Lipoti - President