

Scatchet Head Water District

SCATCHET HEAD WATER DISTRICT (SHWD)
ISLAND COUNTY WASHINGTON

Minutes for February 18, 2021 - Regular Meeting, 7:00 PM

MEETING PLACE

Online Meeting on Zoom because of Corona virus outbreak and Governor Inslee Proclamation.

IN ATTENDANCE:

Commissioner Carr
Commissioner Lipoti
Commissioner Mullins

ABSENT:

None

ALSO PRESENT:

Sandra Bodamer – King Water Company
Brenda Bosman – King Water Company

COMMUNITY MEMBERS IN ATTENDANCE:

Customers were invited to attend by Zoom through email.
David White

The meeting was called to order at 7:00 PM by Commissioner Mullins.

Commissioner Lipoti motioned that the following meeting minute be approved. Motion seconded by Commissioner Carr:

Special Meeting 12/17/20

Special Meeting 1/7/21

Monthly Meeting 1/21/21

Special Meeting 1/28/21

(Motion carried, unanimously approved and passed.)

Audience Participation

None.

Financial Report

The vouchers for the month were reviewed and Sandra from King Water Company gave the bookkeeper report. A motion was made by Commissioner Mullins that Maintenance vouchers (02) - 1 through (02) – 11 in the amount of \$8,049.17 plus EFT vouchers (02) 1 and (02) 2 in the amount of \$330.77 for a total of \$8,379.94 be approved. Commissioner Carr seconded the motion. *(Motion carried, unanimously approved and passed.)*

Financial reports were reviewed. Cash in the Operating Fund at January 31, 2021 was \$76,106.35, the Reserve fund was \$100.00 and the Emergency fund was \$100,803.90, of

Meeting minutes

Scatchet Head Water District

which \$99,000.00 is invested. The balance due on water bills was \$18,602.05, which includes past due accounts of \$15,031.91 (1 account for \$576.08 has been locked off, and three accounts for \$11,183.91 have had the meters removed or locked with liens filed). Liens are filed once an account balance reaches \$1,000.00. The Bell account will be paid at closing; Scatchet Head Community Club is purchasing the property. No late fees or shut offs until April 30, 2021 due to Governor Inslee's COVID-19 proclamation. Commissioner Mullins will send Brenda the approved budget numbers to add to QuickBooks. Commissioner Lipoti asked that the letter addressed to the Congressional Delegation regarding water system funding be sent to Senators Cantwell and Murray.

Manager/Operations Report

Sandra reviewed the Monthly Operations Report with the Commissioners.

- Hilton letter (copy attached): JT Hilton is requesting a payment plan. The customer offered to pay \$2,000.00 now, and the balance by June 1, 2021. Commissioner Mullins motioned to approve the payment plan, stating that the meter will not be moved from lot 10 to lot 13 until the account is paid in full. Seconded by Commissioner Carr. (*Motion carried, unanimously approved and passed.*)
- Sandra noted that the backwash rate is good where it is.
- Commissioner Carr asked Sandra to research the price for a 1-inch meter for Cottage Glen.
- Ship date for new booster pump: February 23, 2021.
- Booster #1: mag starter tripping – Sandra will ask if its possible to replace the mag starter.
- 2020 Consumer Confidence Report: Commissioner Lipoti motioned to approve the report. Commissioner Mullins seconded the motion. (*Motion carried, unanimously approved and passed.*) The report will be mailed with the February water bills.

USDA Loan

Commissioner Mullins will work with Darla from the USDA to help establish tracking for the short-term asset reserve account, capital improvements, and loan interest. Whidbey Island Bank will fund the loan once all USDA conditions are met; this includes bids and engineering. Once the project is complete, the USDA will officially retain the loan. Commissioner Mullins will inquire with Whidbey Island Bank regarding the date funds will be available to borrow. USDA loan application is 99% complete; final Preliminary Engineering Report (PER), archaeological report, and environmental report are needed – the engineer is responsible for these. Commissioner Mullins is completing 18 pages of certifications; drug policy and Conflict of Interest Resolution needed referring to Code of Federal Regulation. Commissioner Mullins motioned to approve Resolution 2021-1 (see attached). Commissioner Lipoti seconded the motion. (*Motion carried, unanimously approved and passed.*)

PER

Robert from Davido Consulting Group submitted the final version of the PER. Inventory list needed of all components – will need to be verified and updated periodically. Short term asset list (10 to 15 years effective life): Robert matched numbers

Meeting minutes

Scatchet Head Water District

on his list to the list with the USDA; final list will be posted on the SHWD website. Commissioner Mullins motioned to approve the updated PER. Motion seconded by Commissioner Lipoti. *(Motion carried, unanimously approved and passed.)*

Old Business/Pending

- Action Items:
 1. Credit given for gravel for the December, 2021 King Water bill.
 2. Financials – Commissioner Mullins discussed the financial reports needed for the USDA with Brenda.
 3. Fidalgo slide – waiting for response from Island County – insurance company notified the county that the district is not responsible for the slide.
 4. PER – committee meeting 1/28/21.
 5. Backflow device at the pool – checked by King Water Company – device was moved and backflow test passed.
 6. Recording fee for SHWD Franchise – check for \$115.50 mailed to Island County.
 7. Chlorine smell at Hat and Whales Tail – chlorine levels too low, tested at .06. Adjustment to chlorine made.
 8. Jerry Beck, electrician, will provide bids for:
 - Back-up generator
 - Kill switchJerry completed servicing for the generator.
 9. Backwash rate: 13 to 15 % now.
 10. Booster pump – still waiting for delivery of pump.
 11. Fidalgo line reroute: \$4,090.00 – address if emergency happens at Fidalgo; look at other options to deliver water.
 12. Insurance to cover volunteers: insurance agent suggested that L & I may cover volunteers.
 13. Potelco claim – Sandra called them again; waiting to hear from Potelco.
 14. Transfer of water rights – incorrect letter received from the Department of Ecology; referred to approval of new well. Commissioner Mullins will call the attorney to help with clarification.
 15. Meter on Driftwood at vacant lot – removed.
 16. PRV – 35 psi – too low. Pressure will be checked both upstream and downstream.
 17. King Water contract – see New Business.
 18. Discussion with Robert at Davido Consulting – corrected PER received.
 19. Commissioner Mullins drafted letter regarding the USDA loan and improvement projects to be mailed to customers with the upcoming water bills.

New Business

- Geological inspection: price is \$450.00 from Terry at Whidbey Geological for assessment of well 3 parcel because of possible sinking at fence line. Commissioner Mullins motioned to accept the bid and approve the inspection.

Meeting minutes

Scatchet Head Water District

Commissioner Lipoti seconded the motion. (*Motion carried, unanimously approved and passed.*)

- Water meters: discussion of several types of new meters:
 1. Census – full metal body - \$109.00 per meter
 2. Neptune - \$72.00 per meter – 40 year track record
 3. Precision – installed in the 70’s; many properties still have theseMany meters are difficult to read because they are fogged; 25 to be replaced. Commissioner Carr motioned to purchase 25 Neptune meters. Motion seconded by Commissioner Mullins. Commissioner Lipoti suggested that two types be compared before purchasing. Meters are tested and approved for accuracy and are dependable. (*Motion carried, unanimously approved and passed.*)
- King Water contract – Exhibit B and C (see attached) – King Water will visit water system site 3 times per week, as currently scheduled. Commissioner Carr motioned to approve the King Water contract. Motion seconded by Commissioner Lipoti. (*Motion carried, unanimously approved and passed.*)
- Enduris Insurance Agent – will attend next commissioners meeting to discuss insurance.
- Scatchet Head Sewer District – plans to begin billing its 38 customers and wants to bill based on water usage and use SHWD meter readings each quarter. Commissioner Mullins will contact the attorney for legalities of passing on meter readings.

Commissioner Mullins motioned to close the meeting at 9:03 PM.

Commissioner Carr seconded the motion. (*Motion carried, unanimously approved and passed.*)

Commissioner Mullins, President

Jill Lipoti - Secretary

Commissioner Carr – V.P.

Scatchet Head Water District

County Expenditure - 2021

County #

7090095000

524900

To: Island County Auditor

Subject: Vouchers for month of: February

(02)

Voucher #	Vendor	Vendor #	Amount
(02) 1	Benshoof, William	5005634	\$ 595.77
(02) 2	Carr, Scott	5010050	\$ 272.25
(02) 3	Davido Consulting Group	5001083	\$ 1,806.50
(02) 4	Ferrellgas	5001417	\$ 337.41
(02) 5	King Water Company	5002245	\$ 3,422.52
(02) 6	Lipoti, Jill	4000038	\$ 256.00
(02) 7	Mullins, David	5001077	\$ 302.21
(02) 8	Puget Sound Energy	5002726	\$ 996.09
(02) 9	Sebo's Do It Center	5003044	\$ 41.01
(02) 10	Utilities Underground Location	5003650	\$ 1.54
(02) 11	Whidbey Telephone	5003941	\$ 17.87

Sub Total \$ 8,049.17

EFT Voucher #

(02) 1	United States Treasury	\$ 91.80
(02) 2	Department of Revenue	\$ 238.97

Sub Total \$ 330.77

Total \$ 8,379.94

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, and that the claims are just due, and unpaid obligations against Scatchet Head Water District and that I am authorized to authenticate and certify said claims.

Auditing Officer

Date

As of this date, the Commissioners, by a majority vote, do hereby approve for payment those vouchers included in the above list bearing Voucher no's (02) 1 through (02) 11, plus EFT Vouchers (02) 1 and (02) 2.

Commissioner Lipoti

Commissioner Mullins

Commissioner Carr

Date

Scatchet Head Water District

February 18, 2021

Accounts Receivable

Current Total Balance Owing: \$18,602.05

Past Due: \$15,031.91

Locked Meters: 1 at \$576.08

3 Meters Removed/Lien Filed: \$11,183.91

February 13, 2020: Total Balance Owing: \$15,526.04

Past Due \$13,883.00

Locked Meters: 2 at \$5297.00

2 Meters Removed/Lien Filed: \$8,300.28

No late fees or lock-offs allowed until April 30, 2021 per Governor Inslee's Covid Proclamation.



Scatchet Head Financial Statement January 31, 2021

	1/31/2021	1/31/2020	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Operating	76,106.35	13,121.51	62,984.84
Reserve	100.00	27,500.00	-27,400.00
Emergency	100,803.90	99,848.63	955.27
Total Checking/Savings	177,010.25	140,470.14	36,540.11
Accounts Receivable	22,470.91	18,668.27	3,802.64
Total Current Assets	199,481.16	159,138.41	40,342.75
TOTAL ASSETS	199,481.16	159,138.41	40,342.75
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	15,788.88	19,177.03	-3,388.15
Payroll Liabilities	-32.26	-41.38	9.12
Interim Loan			
USDA Loan			
Total Current Liabilities	15,756.62	19,135.65	-3,379.03
Total Liabilities	15,756.62	19,135.65	-3,379.03
RETAINED EARNINGS	188,081.00	132,601.29	55,479.71
NET INCOME	-4,356.46	7,401.47	-11,757.93
TOTAL LIABILITIES & NET WORTH	199,481.16	159,138.41	40,342.75

Scatchet Head Operating Account - 709
Balance Sheet Prev Year Comparison
As of January 31, 2021

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	<u>Jan 31, 21</u>	<u>Jan 31, 20</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
BANK - Cash	76,106.35	13,121.51	62,984.84
Total Checking/Savings	<u>76,106.35</u>	<u>13,121.51</u>	<u>62,984.84</u>
Total Current Assets	<u>76,106.35</u>	<u>13,121.51</u>	<u>62,984.84</u>
TOTAL ASSETS	<u>76,106.35</u>	<u>13,121.51</u>	<u>62,984.84</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Payroll Liabilities	-32.26	-41.38	9.12
Total Other Current Liabilities	<u>-32.26</u>	<u>-41.38</u>	<u>9.12</u>
Total Current Liabilities	<u>-32.26</u>	<u>-41.38</u>	<u>9.12</u>
Total Liabilities	<u>-32.26</u>	<u>-41.38</u>	<u>9.12</u>
Equity			
Opening Bal Equity	29,021.80	29,021.80	0.00
Retained Earnings	58,155.30	-4,055.42	62,210.72
Net Income	-11,038.49	-11,803.49	765.00
Total Equity	<u>76,138.61</u>	<u>13,162.89</u>	<u>62,975.72</u>
TOTAL LIABILITIES & EQUITY	<u>76,106.35</u>	<u>13,121.51</u>	<u>62,984.84</u>

Scatchet Head Operating Account - 709
Profit & Loss Prev Year Comparison
January 2021

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	Jan 21	Jan 20	\$ Change
Ordinary Income/Expense			
Income			
INCOME			
Water Fees	4,751.91	5,690.63	-938.72
Late Fees	0.00	55.25	-55.25
Reimbursed Expenses	0.00	279.18	-279.18
Total INCOME	<u>4,751.91</u>	<u>6,025.06</u>	<u>-1,273.15</u>
Total Income	4,751.91	6,025.06	-1,273.15
Expense			
EXPENSES			
DIRECT SALARIES & WAGES			
Managers Salary	600.00	600.00	0.00
Commissioners Pay	1,152.00	384.00	768.00
Payroll Expenses	149.61	169.70	-20.09
Total DIRECT SALARIES & WAGES	<u>1,901.61</u>	<u>1,153.70</u>	<u>747.91</u>
WATER MAINTENANCE			
Water Management	1,131.00	1,100.00	31.00
Water Repairs & Maintenance	3,119.08	2,540.69	578.39
Water Testing	470.00	1,260.00	-790.00
Chlorine and Chemicals	0.00	314.76	-314.76
Supplies/Parts	0.00	812.65	-812.65
Total WATER MAINTENANCE	<u>4,720.08</u>	<u>6,028.10</u>	<u>-1,308.02</u>
Utilities			
Telephone	17.87	17.87	0.00
Electric	994.67	1,155.04	-160.37
Total Utilities	<u>1,012.54</u>	<u>1,172.91</u>	<u>-160.37</u>
GENERAL & ADMINISTRATIVE			
Liability Insurance	0.00	5,536.00	-5,536.00
Dues and Subscriptions	2,484.80	232.40	2,252.40
Licenses and Permits	0.00	1,206.00	-1,206.00
Mailings	0.00	20.22	-20.22
Election Costs	0.00	183.19	-183.19
Taxes			
State Utility Tax	2,177.37	1,408.04	769.33
Total Taxes	<u>2,177.37</u>	<u>1,408.04</u>	<u>769.33</u>
Total GENERAL & ADMINISTRATIVE	<u>4,662.17</u>	<u>8,585.85</u>	<u>-3,923.68</u>
PROFESSIONAL SERVICES			
Engineering	2,622.00	0.00	2,622.00
Accounting	872.00	848.00	24.00
Total PROFESSIONAL SERVICES	<u>3,494.00</u>	<u>848.00</u>	<u>2,646.00</u>
Miscellaneous	0.00	39.99	-39.99
Total EXPENSES	<u>15,790.40</u>	<u>17,828.55</u>	<u>-2,038.15</u>
Total Expense	15,790.40	17,828.55	-2,038.15
Net Ordinary Income	<u>-11,038.49</u>	<u>-11,803.49</u>	<u>765.00</u>

10:46 AM
02/19/21
Accrual Basis

Scatchet Head Operating Account - 709
Profit & Loss Prev Year Comparison
January 2021

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Net Income

Jan 21	Jan 20	\$ Change
-11,038.49	-11,803.49	765.00

**Scatchet Head Water District - Fund 718/Reserve
Reconciliation Summary**

	<u>January 31, 2021</u>
Beginning Balance 1/1/21	100.00
Checks and Payments	0.00
Deposits and Credits	0.00
Register Balance as of 1/31/21	<u>100.00</u>
Ending Balance	<u><u>100.00</u></u>

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**Scatchet Head Water District - Fund 764/Emergency
Reconciliation Summary**

	<u>January 31, 2021</u>	
Beginning Balance 1/1/21	100,803.90	
Checks and Payments	0.00	
Deposits and Credits	0.00	Monthly interest not reported yet
Register Balance 1/31/21	<u>100,803.90</u>	
Ending Balance	<u>100,803.90</u>	\$99,000.00 Invested

Scatchett Head WD

Monthly Operations - January 2021

Water pumped:

	Cu. Ft. Start	Cu. Ft. End	Cu. Ft. Month	Gals. Month
Well # 2	2,872,630	3,052,840	180,210	1,347,971
Well # 3	7,246,550	7,246,550	0	0
Total			180,210	1,347,971

Treatment Meter:

	56,156,900	56,348,700	191,800	1,434,664
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Difference -11,590 -86,693

Backwash 4,767,200 4,790,800 23,600

Backwash % 13.1% *2*

			Gallons
Cottage Glen reservoir			
Inlet meter (Cu. Ft.)	6,255,100	6,303,240	48,140
Outlet meter (gallons)	1,397,420	1,745,010	347,590

Difference 12,497

Booster Pumps:

#1	9,357	9,423	66
#2	8,960	9,014	54
#3	11,574	11,618	44
#4	8,891	8,933	42
			206

2300

Booster gals/hr.

Flushing	Cu Ft	Gallons
2017		
March - full system flush		145,000
2018		
January - Guemes reservoir under construction through April		
April - full system flushes		100,000 150,000
May - several full system & spot flushes		600,000
August - full system flush		200,000
2019		
March - full system flush		100,000
2020		
February - spot flushing		50,000
March - full system flush		100,000
June - full system flush		200,000
Sept - full system flush		100,000
Dec - full system flush		100,000



Water Bacteriological Analysis

Client: King Water Company
PO Box 2243
Oak Harbor, WA 98277

Invoice Number: 21-00595

PO Number:

Project Name: DW

Report Date: 1/13/2021

Approved By:

Sample Information

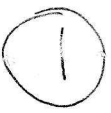
Date Collected: 1/11/2021
Sample Purpose: Routine Compliance
Sample Type: Post Treatment/Finished Water Sample
Sample Composition: Coliform Samples
Sample Collected by: Comerford
Source Number: 00

Date Received: 1/12/2021
Suitability: Yes
Chlorine Res: 0.07
Repeat:
Repeat Lab #:
Repeat Date:

System Number: 76470

System Name: SCATCHET HEAD WATER DISTRICT

Lab #: 2405		Sample: Sample Tap Driftwood Dr.				
Analyte	Results	Units	Detection Limit	Method	Analyst	Date Analyzed
TOTAL COLIFORM	Satisfactory	/100ml	1	SM_9223B	EG	1/13/2021
E. COLI	Absent	/100ml	1	SM_9223B	EG	1/13/2021



Brenda Bosman

From: SHSD Comm3 <shsdpooComm3@gmail.com>
Sent: Monday, February 15, 2021 3:43 PM
To: Brenda Bosman
Cc: SHSDPooComm2@gmail.com; shsdpooComm1@gmail.com; shsdorg@gmail.com; John A. Shultz
Subject: RE: Inquiry Item for SHWD from SHSD
Attachments: SHSD Map & Parcel Nos.pdf

Hi Brenda,

I am one of the three (3) Commissioners of the newly formed Scatchet Head Sewer District ("SHSD"). We are in the process of setting up an assessment rate structure which includes consideration of our members' usage of the SHSD's facilities. As the process of determining usage necessarily involves consideration of our members' water consumption, the SHSD would like to begin receiving water consumption records for the properties in the District on a quarterly basis. A copy of Island County's official parcel number list and map for the SHSD is attached for your reference.

What type of agreement does the SHWD require in order to begin providing us that information on a quarterly basis? You may consider this email as constituting a Public Records Information Request if that type of request is necessary.

We certainly want to make the process as minimally burdensome as possible and therefore welcome your input as well as that of the Commissioners of the SHWD.

If you have any questions or would care to discuss this further, please feel free to contact me or SHSD's counsel, John Shultz (360.404.2017). I can be reached on my cell at 619.246.7006. I have included Mr. Shultz (360.404.2017) on this email as well.

Thank you in advance for your assistance.

JEROME WAGER
SHSD COMMISSIONER 3

RESOLUTION 21-1

CONFLICT OF INTEREST



Scatchet Head Water District hereby certifies that it does comply with 2 CRF 400 and 7 CRF 1900, Subpart E and all guidance related thereto. Also, to ensure the highest standards of honesty, integrity, and impartiality by RE employees, Scatchet Head Water District agrees to identify and report any RD assistance benefiting an RD employee in any of the following circumstances:

1. RD employee is the recipient.
2. RD employee's family member(s) or known close relatives are the recipient.
3. RD employee has an immediate working relationship with the recipient, the employee related to the recipient.
4. RD employee has a business or close personal association with the recipient.

All Scatchet Head Water District Commissioners and employees must not develop any personal relationships or business relationships with any RE employees where such relationship would result in a conflict of interest or financial gain to either party. Any such relationship will result in disciplinary action.

Scatchet Head Water District presents herein our annual Water Quality Report (known as a “Consumer Confidence Report”), as required by the Federal Safe Drinking Water Act (SDWA). Scatchet Head Water District is committed to providing you with water that meets or exceeds all state and federal drinking water standards. This report sets out where our water comes from, what the current year tests show about it, and other information that you may wish to know about drinking water.

WATER SOURCE

Our system pumps groundwater from an Island County aquifer, and transmits the water to the reservoir. The water is chlorinated at the treatment plant, to minimize the risk of any coliform bacteria growing in your system. It is also filtered to remove the majority of any iron and manganese in the water. **If you experience any extended deterioration in water quality please call King Water (888-241-2503 or 360-678-5336).**

King Water Company performs water system management and operations, is responsible for all water testing and ensures compliance with all federal, state and county standards. King Water is a state certified Satellite Management Agency. For more information, about this report, or for any questions you may have about your drinking water, please contact Jason Terpening, Brenda Bosman or Sandra Bodamer at King Water (telephone 888-241-2503 or 360-678-5336).

WATER QUALITY TABLE

Terminology

Maximum Contaminant Level Goal (MCLG) - the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Maximum Contaminant Level (MCL) - the highest level of a contaminant that is allowed in drinking water. MCL’s are set as close to the MCLGs as feasible using the best available treatment technology.

Action Level (AL) – the concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a water system must follow.

Parts per million (ppm) or Milligrams per liter (Mg/l) – one part per million corresponds to one minute in 2 years or one penny in \$10,000.

Parts per billion (ppb) or Micrograms per liter (Ug/l) – one part per billion corresponds to one minute in 2,000 years or one penny in \$10,000,000.

The information set out below is based on tests conducted during the year. Terms used in the Water Quality Table and in other parts of this report are defined above.

Contaminant	Test Date	Unit	MCL	MCLG	Result	Source	Violation
Bacteria	Monthly	N/A	N/A	N/A	All passed	Naturally present	No
Arsenic	Quarterly	ppb	10	10	8.4 (Avg)	Erosion of natural deposits	No
HaloAcetic acids (DBP’s)	Quarterly (2 Sites)	Ug/l	60	60	33.7(Avg) 35.9(Avg)	Chlorine interaction with natural organic matter.	No
Trihalo Methane (DBP’s)	Quarterly (Two Sites)	Ug/l	80	80	65.5 (Avg) 71.1(Avg)	Chlorine interaction with natural organic matter.	No
Nitrate	August	Mg/l	10	10	ND	Runoff – fertilizers, natural deposits, septic tanks	No
Gross Alpha	August	pCi/l	15	15	0.081	Erosion of natural deposits	No
Radium 228	August	pCi/l	5	5	0.541	Erosion of natural deposits	No

Arsenic in Water

Your drinking water currently meets EPA’s revised drinking water standards for arsenic. However, it does contain low levels of arsenic, compared to the state MCL of 10 ppb. There is a small chance that some people who drink water containing low levels of arsenic for many years could develop circulatory disease, cancer, or other health problems. Most types of cancer and circulatory disease are due to factors other than exposure to arsenic. The EPA’s standard balances the current understanding of arsenic’s health effects against the cost of removing arsenic from drinking water.

EXPLANATION OF VIOLATIONS**We are pleased to report that there were no violations in 2020****Iron and Manganese**

Typical of much of the Island's water, our water contains elevated levels of Iron and Manganese, which are abundant in the rocks and soils in the area. These are secondary contaminants and the US EPA has not mandated treatment to reduce the levels of contamination. Scientific findings suggest that the levels found pose no threat to human health. Manganese and iron are considered to be an aesthetic problem. At sufficient concentrations, iron can adversely affect the taste of water and can leave rust colored stains on laundry, plumbing fixtures and porcelain. Manganese can cause similar problems, has a bitter metallic taste and may leave black "specks" in ice cubes. Manganese can also produce staining and cause water to have a brown or black discoloration.

Conductivity and Chlorides

The system is tested twice a year for conductivity and chlorides; this is to ensure that our water source is not being contaminated by salt water. Levels are set out below:

Contaminant	Test Date	Unit	MCL	MCLG	Result	Source
Well #2						
Chloride	April & Aug	Mg/l	250	250	ND/ND	Salt water or natural deposits
Conductivity	April & Aug	Umhos/cm	700	700	363/363	
Well #3						
Chloride	April & Aug	Mg/l	250	250	ND/ND	Salt water or natural deposits
Conductivity	April & Aug	Umhos/cm	700	700	384/361	

Lead and Copper

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Your water system is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

Repairs and maintenance - Shared responsibilities

Sometimes problems occur associated with snow, freezing weather, heavy rains and flooding – all of which can cause water pipes to break and necessitate the need to get the water turned off in an emergency. Please remember that it is the responsibility of your water system (the purveyor) to deliver safe drinking water to your property. As a rule, this responsibility stops at the meter or shut off valve – usually located at, or close to, the property line. However, **it is the responsibility of the home owner to know where their shut off valve is located and keep the area clear and readily accessible.**

Substances expected to be in Drinking Water

To ensure that tap water meets acceptable drinking standards, the US EPA prescribes regulations limiting the amount of certain contaminants that may be in drinking water. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some of these contaminants. However, their presence does not necessarily mean that the water poses a health risk. Such substances may include:

Microbial contaminants, such as bacteria and viruses, which may come from sewage treatment plants, septic systems

agricultural livestock or wildlife. These are tested for monthly.

Inorganic contaminants, such as salts and metals, which can be naturally occurring or may result from urban storm water runoff, industrial or domestic wastewater discharges, mining or farming. These are tested for based on a schedule prescribed by the state Department of Health (DOH); they include nitrates, which are tested for annually.

Pesticides and Herbicides, which may come from a variety of sources such as agriculture, storm water runoff and residential uses. These are tested for based on a schedule prescribed by the DOH.

Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes, gas stations, storm water runoff and septic systems. These are tested for based on a schedule prescribed by the DOH.

Radioactive contaminants, which are usually naturally occurring. These are tested for based on a schedule prescribed by the DOH.

ADDITIONAL HEALTH INFORMATION

Some people may be more vulnerable to contaminants in drinking water than the general population. They include immuno-compromised persons such as persons with cancer, those undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, the elderly and infants, who can be particularly at risk from infections. These people should seek advice from their health care providers before drinking any water. More information about EPA/CDC guidelines to lessen the risk of infection by Cryptosporidium, other contaminants and potential health effects can be obtained by calling the Environmental Protection Agency Safe Drinking Water Hotline (800-426-4791).

ANNUAL WATER USE EFFICIENCY REPORT

The State legislature directed the Department of Health (DOH) to adopt an enforceable **Water Use Efficiency** (WUE) program, which became effective January 22, 2007. All Group A water systems, as defined in the Law, are required to comply and the first annual Water Use Efficiency report was due by July 1, 2011.

For the 12 months ended December 31, 2020 the amount of water pumped by our water system was 22,181,641 gallons (21,882,590 gallons in 2019), an average of 148 gallons (139 in 2019) per house per day.

A summary of our water usage follows:

Water Pumped	House meters	Backwash	Flushing & reservoir cleaning	Authorized Consumption	Net Loss	Loss %
22,181,641	13,947,282	3,935,228	1,350,000	19,232,510	2,949,131	13%

Important Notice:

Water services in your water system may have been installed with, or upgraded to include, a check valve that helps protect the water system from a backflow event. This occurs when a drop in pressure in the mains allows water to be drawn into the mains from the service connection; as a result the system water can be contaminated.

The installation of the check valve causes the home to become a “closed system” and makes it susceptible to damage caused by thermal expansion of the water. This is a potentially dangerous condition caused by your water heater overheating and excessive pressure build up from a malfunction of the pressure relief valve on the heater. Please ensure that your water heater has been properly installed with working protection devices (T&P valve and expansion tank); if in doubt, consult with your plumber.

King Water Company

Water System Management and Services Agreement

This Agreement is made and entered into as of March 1, 2021, by and between King Water Company (“King”), a Washington company and Scatchet Head Water District (ID #76470X), a Washington non-profit corporation, hereinafter referred to as “Customer”. In consideration of the mutual covenants, agreements, and representations contained in this Agreement, the parties hereby agree as follows:

- I. Purpose. The purpose of this Agreement is to set out the intent of King and Customer to enter into a relationship whereby King provides water system management, or other services, to Customer. A description of the Customer’s water system is set out in Exhibit A.
- II. Scope of Work. The work to be performed by King Water Company under this Agreement is described in Exhibit B. Work on a residential service connection beyond the water meter is not covered by this contract.
- III. Changes/Modifications to Agreement. King shall make a good faith effort to implement any changes or modifications to this Agreement that may be requested by Customer. Customer recognizes, however, that any changes or modifications to the Agreement may cause King difficulties and delays in the fulfillment of its obligations pursuant to this Agreement. King reserves the right, therefore, in its sole discretion, to refuse to incorporate such changes and modifications, or to charge Customer at the current hourly rate published for such services.
- IV. Acceptance of Work. King shall deliver its services (i) as set forth in Exhibit B and in accordance with all schedules set forth in the attached Exhibits A through C inclusive, all of which exhibits are hereby incorporated into this Agreement by this reference, and (ii) as required by Washington State Department of Health regulations (“WSDOH Regulations”). In case of any conflict between (i) and (ii) above, the WSDOH regulations shall prevail.
- V. Payment. In consideration for the services and work described above Customer shall pay to King invoiced amounts in U.S. funds in accordance with the fee schedule set forth in Exhibit C. In case of any billing dispute, and before resorting to any other legal or equitable remedy, authorized representatives of the parties shall meet or communicate with one another informally, cooperatively, in a timely fashion, and as often as necessary, in an attempt to resolve such dispute.
- VI. Termination. Effective each anniversary date, either party may terminate this Agreement for any reason in its sole discretion, via prior written notice to the other party. Such notice must be delivered to the other party no more than 180 days before, nor fewer than thirty (30) days before the next anniversary date, i.e., the date of termination. Upon termination, each party shall be fully and forever released and discharged from any and all obligations, covenants or liabilities of whatsoever kind or nature in law, or equity, or otherwise, arising out of, or in connection with, the Agreement, or any other agreements by and between King and Customer, except for any obligation or liability accrued before the date of termination.

- VII. Agreement Period. The term of this Agreement is for a minimum period of one (1) year, which will automatically be deemed renewed unless and until terminated by either party as set out in paragraph VI above.
- VIII. Warranties and Representations. Each party hereby represents, warrants, and covenants as follows:
- Corporate Power. Each party is duly organized and validly existing under the laws of the State of Washington and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.
 - Due Authorization. Each party is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder.
 - Binding Agreement. This Agreement is a legal and valid obligation binding upon it and enforceable with its terms. The execution, delivery and performance of this Agreement by such party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.
 - Compliance With Law. Each party's operations will be conducted in compliance with all applicable laws and regulations of the United States, the State of Washington, and Island County.

The representations, warranties, and covenants in this Paragraph VIII, are continuous in nature and shall be deemed to have been given by each party at the time of execution of this Agreement and at each stage of performance hereunder.

IX. Indemnification and Limitation of Liability.

- **Indemnification by King.** King shall, at its expense and at Customer's request, defend any third-party claim or action brought against Customer, or Customer's officers, directors, or employees, (i) relating to the work performed by King pursuant to this Agreement, and (ii) to the extent it is based upon a claim that, if true, would constitute a breach of a King warranty, representation, or covenant set forth in this Agreement. King shall indemnify and hold Customer harmless from any costs, damages, and fees reasonably incurred by Customer, including but not limited to attorneys' and other professional fees, that are attributable to such claims. Customer shall provide King reasonably prompt notice in writing of any such claim and provide King with reasonable information and assistance, at King's expense, to help King defend such claims.
- **Indemnification by Customer.** Customer shall, at its expense and at King's request, defend any third-party claim or action brought against King, or its officers, directors, employees, licensees, and independent contractors, (i) relating to Customer's negligent or intentional misconduct, and (ii) to the extent it is based upon a claim that, if true, would constitute a breach of a Customer warranty, representation, or covenant set forth in this Agreement. Customer shall indemnify and hold King harmless from and against any costs, damages, and fees reasonably incurred by King, including but not limited to

attorneys' and other professional fees, that are attributable to such claims. King shall provide Customer reasonably prompt notice in writing of any such claims and provide Customer with reasonable information and assistance, at Customer's expense, to help Customer defend such claims.

- X. Applicable Law; Jurisdiction; Venue; Notice The Agreement shall be governed and construed in accordance with the laws of the State of Washington. The parties agree that Island County Superior Court in the State of Washington shall be the proper and exclusive venue for any action brought under the Agreement. Any notice required or permitted under this Agreement must be in writing, sent via United States Postal Service (USPS) certified or registered mail, postage prepaid. A notice shall be deemed delivered on the third calendar day (disregarding Sundays and legal holidays in Washington) after its deposit in an official USPS mailbox or receptacle. Additional courtesy notice via e-mail, telephone, voicemail, or other electronic form of communication, is permitted but not required and shall not be deemed to substitute for, or constitute, mailed notice as required herein.
- XI. Modifications, Amendments or Waivers. No modifications or amendments to the Agreement, and no waiver of any provisions hereof, shall be valid unless set forth in a writing signed by duly-authorized representatives of the parties.
- XII. Force Majeure. King shall not be responsible for any failure to perform due to unforeseen circumstances or due to a cause beyond King's control, including but not limited to acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, accidents, strikes, or shortages of transportation facilities, fuel, energy, labor, or materials.
- XIII. Independent Contractor Relationship. It is the intent of the parties that King will be acting hereunder as an independent contractor retained by Customer. Nothing contained herein shall be construed to imply a joint venture, partnership, or employer and employee relationship, between the parties. Neither party shall have any right, power, or authority to create any obligation, express or implied, on behalf of the other except as defined in the Agreement or as mutually agreed to and consistent with the terms of the Agreement. The employees, contractors, subcontractors, or agents of one party shall not be deemed or construed to be the employees, agents, contractors, or subcontractors of the other party for any purpose whatsoever.
- XIV. Binding Effect. Subject to the limitations herein before expressed, this Agreement will inure to the benefit of, and be binding on, the parties, their successors, administrators, heirs, and permitted assigns.
- XV. Compliance/Government Approvals. King and Customer will, each at its own expense, obtain and arrange for the maintenance in full force and effect of all government approvals, consents, licenses, authorizations, declarations, filings and registrations as may be necessary or advisable for the performance by such party of all of the terms and conditions of the Agreement.
- XVI. Entire Agreement; Modification; No Offer. The parties hereto agree that this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. It shall not be amended or otherwise modified except by a written amendment dated subsequent hereto and signed on behalf of King and Customer by their duly authorized representatives. Neither this Agreement nor any written or oral statements related hereto constitute an offer, and this Agreement shall not be legally binding until executed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the later of the two dates of execution inserted below by the parties.

KING WATER COMPANY, INC

SCATCHET HEAD WATER DISTRICT

By: _____
Sandra Bodamer, President
King Water Company
P.O. Box 2243
Oak Harbor, WA 98277
1-360-678-5336

By: _____
Dave Mullins, Commissioner

By:  _____
Jill Lipoti, Commissioner

Date

By:  _____
Scott Carr, Commissioner

3/23/2021
Date

King Water Company

Water System Management and Services Agreement

Description of System

General

- | | |
|-----------------------------------|---|
| a) Group | A |
| b) No. of wells | Two |
| c) Well pump information | Already provided |
| d) Reservoir size | Two – 300,000 and 120,000 gallons |
| e) Pressure tank(s) | 1,000 gallon Hydro-pneumatic tank |
| f) Booster pump(s). | Four – 7.5 Hp |
| g) Valves and other appurtenances | necessary for the operation of the water distribution system.
See as-builts drawings |
| h) # of service connections | 411 |
| i) Other information | _____ |

Chlorination System

Yes

Treatment System

Yes

King Water Company

Water System Management and Services Agreement

Description of Services Provided

Operations

Oversight by Certified Water Manager who will ensure that all of the system's daily operational and maintenance activities are completed according to acceptable public health practices and water industry standards. Specific activities on a daily basis include:

- Frequency of routine service calls – Three times per week
- Maintain pump house log documentation for all activities.
- Report all items of concerns
- Respond to customer calls
- Check backwash pond is operating
- Regular inspection of distribution system for leaks.
- Take readings from each well, treatment and backwash meters
- Calculate average daily usage from each meter reading
- Water usage monitoring during each visit – plus monthly reports.
- Check tank levels
- Take readings from each booster pump
- Take weekly Iron/Manganese samples
- Implement preventative maintenance programs.
- Perform water quality monitoring.
- Emergency call out – available 24/7 via answering service.
- Regularly monitoring of pumping rates and system pressures.
- Maintain system documentation, testing results, and compliance with appropriate regulations.
- Communications with State and/or County Health Departments, as necessary.
- Response to, and handling of, customer complaints.
- Mark out of District Distribution System – USA Dig Alert – Follow up with contractors digging near district lines.
- Coordination of any specialized needs of the system, as approved by Customer, and arrangements with other independent contractors.

Specific Activities on a monthly basis include:

- Inspect all PRV stations – Record inlet and outlet pressure. Adjust as needed, maintenance as required – Record dates and maintenance
- Visually inspect by vehicle all SHWD Distribution lines for leaks – Record date and report problems
- District Water samples as required by State
- Maintain system documentation, testing results, and compliance with appropriate regulations.
- Site visit by Certified Water Manager with observation report report to be included in monthly Commissioners Packet

Specific Activities on a yearly basis include:

- District water samples as required by State
- Water usage monitoring

- Maintain system documentation, testing results, and compliance with appropriate regulations.

Specific Activities on yearly basis which will be subject to additional costs:

- Flushing SHWD system – may be more often as directed by Commissioners – 1 Day for each flush (subject to additional costs)
- Inspect all system air release valves for access, operation and shutoff – Record dates and report problems. (subject to additional costs)
- Inspect all system blow offs for access, operation and shutoff. Record dates and problems. (subject to additional costs)
- Turn all distribution and hydrant shut off valves – record dates and report problems. Day prior to scheduled flushing. One day for valve turning. (subject to additional costs)
- Cross Connection Control - Annual backflow test notice. (subject to additional costs)

Treatment System Maintenance

Monitor proper operations of chlorination system. Take high and low chlorine readings during each visit. Ensure that chlorine vat has adequate levels of sodium hypochlorite at all times, reorder and deliver, as necessary. Perform regular preventative maintenance, such as regularly cleaning of the chlorine vat, and inspection of chlorine pumps and injectors. Regularly adjust chlorination rates to maintain an approximate 0.2 ppm residual level of chlorine in the system.

Monitor proper component operation of filtration system. Take weekly manganese samples and monitor performance of the filters. Performance of regular preventative maintenance, such as air scrubbing and overnight soaking of the filters with potassium permanganate, when required, and equipment repairs will be subject to time and material charges.

Documentation and Reports

Prepare annual Consumer Confidence Report.

Prepare monthly chlorination reports to State and County Departments of Health.

Maintain “as built” files.

Prepare and submit necessary reports to State and County Departments of Health, including but not limited to state-mandated water quality monitoring reports on a timely basis in accordance with WSDOH Regulations.

Maintain records of operating logs and other documentation, as required.

Provide operating reports to Customer, as requested.

Provide and monitor “unaccounted for water” at each billing cycle.

Billing and Administrative Services (may be subject to additional charges, see Exhibit C for current labor costs):

Assist in repair and maintenance planning

Assist in capital project planning.

Water billing services (if requested), which will include the following:

- Sending out billing statements with return envelope (\$0.95 per statement);
- Making bank deposits using pre-printed deposit forms supplied by customer.
- Preparing a full set of reports on water billing, receipts and delinquent accounts.
- Answering customer billing questions, filling out paperwork for title companies on the sale of homes, working with the Commissioners on overdue debt collection and providing such other information as may be requested.

Water bill collection services – a fee is charged for sending out each certified letter. Excessive time spent in account analysis and other activities associated with collection of balances due will be billed based on actual time expended.

Financial and Administrative Services:

The following services will be provided each month:

1. Prepare vouchers for the Commissioners and, when approved, submissions to the County's Auditors, based on invoices provided in a timely manner.
2. Pick up completed warrants from the County and mail them to the the respective vendors.
3. Prepare quarterly payroll and excise tax returns.
4. Prepare annual W-2, 1099 and other tax returns.
5. Provide a quarterly report on water used by customer and for the district as a whole.
6. Reconcile funds received and disbursed with the County reports.
7. Provide monthly statements of activities.
8. District meeting minutes – regular (special minutes subject to additional costs)
9. Commissioners meeting packets
10. Retainment of District records required by law.
- 11.

Additional Services (may be subject to additional charges, see Exhibit C for current labor costs):

System repair and maintenance

Well depthing, if requested and feasible. If no well depthing tube and damage to King Water equipment occurs as a result, customer is liable to reimburse King for repair to equipment.

Implementation of system-wide flushing program, if necessary.

Installation and replacement of meters, as required.

Meter reading, as required.

Reservoir cleaning.

Oversight of cross connection control program.

Assistance with sanitary surveys and in responding to DOH report thereon.

King Water Company

Water System Management and Services Agreement

Fees

For the services listed in Exhibit B, this Agreement's first year fees will be, as follows:

A monthly fee of \$1,250.00 for Operations, Treatment System Maintenance and Documentation and Reports; the fees are due 30 days from date of billing.

Bacteria testing is \$30 per test, which includes a sampling fee, and \$30 for any repeat testing that may be required. Nitrate testing is \$35; other tests will be rebilled to Customer at the current rates, which will be dependant on the third party cost of each type of test being conducted.

Labor rates:

- Emergency call-outs on weekends and holidays will be billed at \$95.00 per hour for our service technicians and \$105.00 per hour for our Operations Manager.
- Emergency call-outs during weekdays, which cannot be accommodated as part of our normal round schedule, will be billed at \$85.00 per hour for our service technicians and \$102.00 per hour for our Operations Manager.
- Our normal hourly rate is \$80.00 per hour for field personnel and \$95.00 per hour for our Operations Manager.
- Repairs requiring the use of the backhoe will be billed at \$200 per half day, plus labor.
- Reservoir cleaning is based on the amount of time to set up and leave a site, plus the time to clean the reservoir. For safety reasons, two personnel must be on site while the reservoir is being cleaned. Use of the pressure washer is charged at \$80.00 per day.

Charges for water billing services will be \$500.00 per month for an quarterly billing. A fee of \$15.00 is charged for sending out each certified letter and \$0.95 per water bill mailed to cover the costs of postage and stationary. Time spent in excessive account analysis and other activities associated with collection of balances due will be billed at \$80.00 per hour, based on time expended.

Charges for financial and administrative services will be \$500.00 per month.

Labor rates and other fees will be subject to annual reviews on January 1st. Price increases from independent third parties, such a certified laboratories and suppliers, will be passed on as and when incurred.