

SEVEN LAKES WATER ASSOCIATION, INC.

Board Meeting Minutes – August 16, 2022

The meeting called to order AT 6:31 PM by Board of Trustee President, Kim Gudgel

IN ATTENDANCE:

Board Members: Kim Gudgel, Adam Bursell, Craig Thompson, Marc Lebeau

Employees: Eric Hentila

ABSENT: Ron Crow

GUESTS/Members: Karri Chase, Teresa Regimbal, Elizabeth Johnson, Roberta Hanson

MINUTES:

The minutes for the July 19, 2022 meeting were reviewed and Adam Bursell offered three proposed edits and had one question about an item in the report. Craig Thompson made a motion to approve the minutes with the edits proposed, (2nd) Adam Bursell. The **vote** was unanimous for approval and the Motion was carried.

TREASURERS REPORT:

There was a Profit & Loss Report and a Balance Sheet distributed at the meeting. Both were prepared by Karri Chase. Marc Lebeau recognized the countless volunteer hours that have been expended by Karri Chase and Sherri Klotz, restoring order to the book-keeping records of the Association.

Marc distributed a report outlining the 15 accounts at seven different banking institutions. To date - he has been granted access to all but two of those banks. The information graphically represented the distribution of the SLWA funds. Marc Lebeau submitted a motion asking for Board Approval to conceptually reduce the number of banks and accounts. Adam Bursell asked where the money would be transferred to if any account were closed. Marc Lebeau said the funds should go where we get the best return, but did not have that information, prompting an Action Item. Adam Bursell seconded that motion. The **vote** was unanimous; Motion carried.

ACTION ITEM: (Marc) Investigate the salient features of each of the SLWA Bank Accounts so that the Board may evaluate which institutions and accounts they would like to maintain.

Guest/Member Karri Chase suggested that before any accounts were closed, that input from volunteer Sherri Klotz (working Accounts Receivable) should be sought.

The balance of allocated time of the Treasurer was yielded to Karri Chase, who provided a verbal summary report on the volunteer work that she and Sherri Klotz had been doing in the office as well as several key recommendations.

Adam Bursell asked about the fees that we are paying. Karri Chase explained that these were typically late fees from bills that were not paid on time. There were questions about the Clearing account (at Chase Bank) and Loan Fees. Karri Chase responded to all questions to the satisfaction of the inquiring person.

Karri Chase offered to provide written procedures that should be in-place to govern how the SLWA books are maintained. The recommendation was made to limit the number of Checking Accounts to ONE. (we currently have three). Karri Chase shared the observation (from working in the office over the last 4 weeks) that it was her opinion that Paul Lucas is doing an “impossible job.” While his primary efforts have been maintaining water service to our members, the demands of the office management have overwhelmed him. She recommended that we segregate his duties between an Operations Manager and an Office Manager.

Marc Lebeau had been working on this concept and distributed a written draft recommendation for the splitting of duties between an Operations Manager and an Office Manager. He explained the rationale and asked that the Board Members consider this proposal for discussion at a future meeting.

Kerri Chase presented a motion that she be authorized by the Board to handle the accounting needs for another 60 days, or until we can obtain a permanent book-keeper that she agreed to help train. (2nd) Marc Lebeau. The **vote** was unanimous for approval and the Motion was carried.

Kim Gudgel brought up the issue of whether we should pursue the temporary hiring of a financially-experienced person that former Board Member Greg Jensen had recommended previously – now that there was no longer the appearance of a personal connection to the Board. Karri Chase made the point that we should not be looking to hire an accountant, but rather a book-keeper. She restated what she believed were the most critical book-keeping/admin function needs.

ACTION ITEM: (Kim) Contact this interested person and ask if she would still be available. Guest/Member Roberta Hanson asked about the timeframe; Kim Gudgel suggested that he would do so before the end of the month.

WEBSITE REPORT:

Adam Bursell mentioned that progress on action items have been hampered by an absence of deliverables from Paul Lucas: Still waiting FAQ’s and Meeting Minutes (that were first identified for posting at the 17 May 2022 Meeting). There was some discussion about who is hosting our web server and whether it was still under the name of the previous book-keeper. As such, it takes more

documentation to remove that person and to assign a new web master. He reported that he is able to post things without a problem on our website, but unable to make changes to the layout.

ACTION ITEM: (Marc) Send all converted .pdf versions of approved Meeting Minutes and the finalized FAQ sheet to Adam Bursell for immediate posting to the SLWA Website.

ACTION ITEM: (Paul) Send website account user name and password to Adam Bursell.

Marc Lebeau provided a written statement (for SLWA President signature) that explained to our members, the current situation surrounding our staffing shortfall and requesting continued patience. Marc Lebeau asked that any edits that were desired by the Board be directed to him and he would provide a signed .pdf version to Adam Bursell for posting to our website.

MANAGERS REPORT:

Eric Hentila was present (Paul Lucas was out of town) and reported that a person with whom he was familiar was looking for employment as a Meter Installer. Eric Hentila provided a written copy of the applicant's resume. Craig Thompson reminded the Board that we previously required a positive background check (police record) and a negative drug test. Adam Bursell asked whether Paul Lucas had posted the position on an employment website. Eric Hentila did not think so. Kim Gudgel suggested that we call the three personal references provided by the applicant, Craig Thompson suggested that we ask the same questions to all three.

ACTION ITEM: (Marc) Develop interview questions for the Personal References.

ACTION ITEM: (Kim & Craig) Divide the list of Personal References and conduct telephone interviews regarding the applicant.

Kim Gudgel asked about the surplus truck. Eric Hentila reported that a new bed liner has been installed in the new truck. Adam Bursell asked about the ID cards. Eric Hentila mentioned that he has identified a possible source of a plastic Prox Card machine that might be surplussed to us and would explore that.

Eric Hentila said the security cameras for the office property were on-hand awaiting installation. He mentioned that the installation might be something that he could do – rather than wait for the electrical generator installers to do.

Emergency power generators. Two generator sets have been delivered and are now sitting on foundation pads at Tank 6 and Loma Tank locations. They lack the permitted installation of a transfer switch and the associated wiring.

OLD BUSINESS:

Kim Gudgel submitted a motion that we allow Marc Lebeau to circulate Draft Meeting Minutes as soon as they are prepared, directly (rather than sending them to the President). Errors identified could be handled by e-mail, enabling less discussion time during subsequent meetings. The motion was Seconded by Craig Thompson. The **vote** was unanimous for approval and the Motion was carried.

Kim Gudgel suggested that we hire a Professional Engineer to study and report on the condition and long-term viability of our infrastructure, including tanks, pumps, wells and associated system hardware. The date would be used to plan for obsolescence and re-capitalization of key components and for identifying the correct amount of reserve cash that would be needed to restore service from a catastrophic failure. Most likely would be a civil engineering firm with experience in such things. In light of more pressing Association needs, Kim agreed to table the topic for a future meeting.

NEW BUSINESS:

Kim Gudgel mentioned the results from an informal written poll circulated by Marc Lebeau during last month's meeting, prioritizing the issues in greatest need of the Board's attention. "Creating Rules for Regulating Board Conduct" was the issue that scored highest, followed by the "2023 Budget Formation" and the "Revision of SLWA By-Laws." Kim Gudgel suggested that we table further discussion on this and focus on restoring the operations of the SLWA Office.

Kim Gudgel asked for new Board member nominations. Marc Lebeau made the motion to nominate Karri Chase to the Board of Trustees. Kim Gudgel Seconded that motion. The **vote** was unanimous for approval and the Motion was carried.

Marc Lebeau presented a short discussion on charges from the Snohomish County PUD for electricity, which was a (Paul) Action Item from last month. He had sent copies of the written report to Board Members via e-mail prior to the meeting, so he didn't go into great detail. Bottom line: The exceptionally high charges (i.e. DEC 2021 - \$8,000+) were the result of estimating meter readings for the previous three months during Covid quarantines. Marc Lebeau mentioned that on occasion, for reasons unclear - the Association paid more or less than the invoiced amount. Karri Chase mentioned that Generally Accepted Accounting Principles dictate that we should never pay anything but the invoiced amount. We have 7 metered sites and over the last 3 fiscal years we have been billed \$ 136,742.29.

OPEN DISCUSSION:

Guest/Member Roberta Hanson had questions about the total number of paid SLWA employees, which Kim Gudgel answered. She also asked about a previous Meeting Minute entry reporting a member's request for mailing addresses, and whether or not the Association kept a current asset list. She wanted to understand the previous efforts to hire a Management Company to

take over operations. All were explained by various Board members to her satisfaction.

Karri Chase submitted the recommendation that the SLWA hire a housekeeper/janitorial service for the office, citing a general lack of cleanliness in the office and restrooms. She submitted a motion to contract for such services, once a vendor and a price was proposed. The motion was Seconded by Adam Bursell. The **vote** was unanimous for approval and the Motion was carried.

ACTION ITEM: (Karri) Identify a reasonably-priced janitorial/housekeeping service provider and report back to the Board with a recommendation.

ADJOURN: 8:20 PM

Submitted by: Marc Lebeau, Secretary-Treasurer