

## SEVEN LAKES WATER ASSOCIATION, INC.

### Board Meeting Minutes – 15 August, 2023

The meeting called to order at 6:30 PM by Board of Trustee Vice-President, Keith Krueger.

#### **IN ATTENDANCE:**

Board Members: Keith Krueger, Marc Lebeau, Mary Jo Lake, Bryan Gregory, Leslie Magnuson

GUESTS/Members: (2) Paul Hernandez; Karri Chase

Employees: Eric Hentila (Ops Manager), Deana Sweet (Office Manager)

**ABSENT:** Bruce Holen (Excused)

#### **MINUTES:**

The minutes for the July 18, 2023 meeting were reviewed and a **MOTION** to approve was submitted by Marc Lebeau, it was **SECONDED** by Mary Jo Lake. The **vote** was unanimous for approval and the Motion was carried. The Secretary and the Vice-President signed a copy for the official record.

#### **OPERATIONS MANAGERS REPORT:**

Eric Hentila provided the Board a written report and it is attached to these Meeting Minutes. It was reviewed during the meeting and any questions from Board members were answered to their full satisfaction. He added that the vendor selected for the rebuild of the system's Pressure Regulating Valves (PRV's) was approximately \$450 less expensive per valve than previously-used OEM (Cla-Valve®): \$8K savings.

#### **OFFICE MANAGERS REPORT:**

Deana Sweet provided the Board a written report and it is attached to these Meeting Minutes. It was reviewed during the meeting and any questions from Board members were answered to their full satisfaction. She added that one of the payment plans in-place had been recently satisfied, bringing the new total to "3" (not 4 as reported in the attached report).

Keith brought up the issue of acquiring a new computer tower for Eric to accommodate the new web-hosted Accounts Receivable (A/R) Program (CUSI). His current computer lacked the hardware to adequately access data. The cost would exceed the \$500 spending limit, requiring Board consent. Marc offered a **MOTION** to authorize the purchase of a new computer for the OPS Manager. The motion was **SECONDED** by Leslie Magnuson. Discussion followed. The **vote** was unanimous for approval and the Motion was carried.

The OPS Mgr and the Office Mgr voluntarily departed after making presentations.

#### **PRESENTATION BY AUDITOR:**

Mr. Paul Hernandez CPA from the public accounting firm: Langabeer, McKernan,



Burnett & Co. (LMBC) provided a briefing on the initial Draft for the 2022 – 2021 annual audit. He noted that payroll taxes were paid late in 2022 resulting in fines levied against the Association. (This covered a period of several months where no book-keeping had been accomplished.) He also noted that variances were noted between meter reading dates of several days - resulting in inconsistent number of days within billing cycles. 41% of SLWA operating expenses were attributed to employee salaries. As in past audits, he stressed the importance of “Internal Controls:” Checking expenditures against spend plans and segregating QuickBooks® entries from the person doing the reconciliations. He plans to produce Journal Entries (JE’s) to the Board for approval prior to implementation. Paul departed after answering questions.

### **SECRETARY’S REPORT:**

Marc Lebeau reported that Karri Chase had been removed from all of the SLWA bank accounts, as well as other stragglers that had not been appropriately removed (Paul Lucas and Kim Gudgel). At the same time, Leslie Magnuson was added to all of the bank accounts (5 total banks).

Marc reported that a temporary payroll specialist had been hired from Robert Half® Temp Agency to perform an audit of the employee payroll this CY. Time cards had been verified and the agency was paid for the amounts invoiced.

### **TREASURERS REPORT:**

Prior to the meeting, Leslie Magnuson provided to the Board, copies of the monthly P&L and Balance Sheets produced from QuickBooks®. She also provided a written report and it is attached to these Meeting Minutes.

Leslie brought up the issue of the policy on field worker’s pay and the ambiguity in the current Employee Handbook and the Policy Manual. She submitted a proposal to streamline the verbiage to be more succinct. Discussion on the payment for workers on call – when responding to phone calls ensued. It was agreed that it too required refinement.

**Action Item:** (Leslie Magnuson) - Further edit the Employee Pay Policy for clarity and resubmit the policy recommendation under cover of a Resolution to the Board.

She received favorable interest in providing a deeper report in the future - on the current insurance policies (with WAFD Insurance) and our risk management profile.

### **PERSONNEL COMMITTEE REPORT:**

Mary Jo Lake provided a report on the efforts of the payroll audit. The payroll records were reviewed back through January, 2023 by an outside payroll specialist. She distributed a summary of the values noted during the audit. It appears that a clerical error in the values that QuickBooks® applied to hourly workers was being calculated incorrectly resulting in an overpayment to current employees of \$ 392.69 (for the 7-month period). There was also an employee that incorrectly charged Holiday pay that was not authorized and that money had since been returned to the Association.



Discussion followed about the error's resultant effect on tax liability. The numbers were not easy to understand, and Mary Jo explained that the payroll specialist was not especially well versed in the P.U.T. (Public Utility Tax). Keith Krueger asked that additional clarity be provided at a future meeting.

Mary Jo offered a **MOTION**: In recognition of the clerical error at the root of the overpayments, SLWA take no further action relative to the overpayments made to Eric Hentila and John Moehrle. The motion was **SECONDED** by Marc Lebeau. Discussion followed. The **vote** was unanimous for approval and the Motion was carried.

**Action Item:** (Personnel Committee) Provide additional tax details on the impact to current employees regarding the 7-month overpayment. Before a decision is made regarding whether the Association should forgive this debt or cover additional costs, it was urged that the details to inform such a decision needed more fidelity.

#### **COMMUNICATIONS COMMITTEE REPORT:**

Keith Krueger reported no new updates on the Postcard Mailer.

#### **FACILITIES COMMITTEE REPORT:**

Progress on the WSP by DCG is on-going. Keith Krueger provided the requested data needed by the vendor, in the preferred format to continue to make WSP progress. Marc Lebeau discussed the next project on the Facilities Committee's worklist: To examine and revise as necessary, existing land-use leases. He announced the next meeting of the Committee on Tuesday, 12 September, 2023 at the SLWA office.

**Action Item:** (Marc Lebeau) Provide a copy of the Facilities Committee's Worklist to Board Members.

#### **NEW BUSINESS:**

Late Payment & Delinquent Fee Rates: Keith Krueger brought a portable projector and a laptop to allow the Board to review the latest revision recommendations to the SLWA policy – which was projected in the White Board. Through discussion, it was decided that the policy should not include specific numbers, but rather refer to the most recent Fee Schedule for the exact amounts.

**Action Item:** (Keith Krueger) Complete final refinements to the Rate Fee policy document and submit to the Board under cover of a Resolution.

Action Items Reporting: Prior to the meeting it was requested that a print-out of the Action Items from this calendar year be provided to Board members and be reviewed. Marc Lebeau went through the list and updated it with refreshed information from the Board. Of the 23 items, 13 were considered complete. 3 were assigned to a former Board Member and were canceled. 7 remain outstanding.

**Action Item:** (Marc Lebeau) Provide an updated/revised list before the next meeting.

#### **GUEST/MEMBER COMMENTS:**

Ms. Karri Chase addressed the Board with a stern warning that following disclosure of employee overpayment, the Board had an obligation to the Members to rectify the situation and prevent it from occurring in the future.

ADJOURNED (9:17PM) The Regular Meeting.

 9/19/23

Submitted by: Marc Lebeau, Secretary-Treasurer

 9/19/23

Certified to be a True Copy by: Bruce Holen, President



**Seven Lakes Water Association**  
**OPS MANAGERS REPORT:**

For 15 August 2023

<b>Meter Upgrade Project</b>	<b>This Month</b>	<b>Last Month</b>
New Radio-Read Meters Installed	98	94
Total Radio-Read Meters Installed	1381	1283
Project Completion	62%	58%

EPA PFAS Sampling:

The second phase of UCMR5 PFAS sampling was completed July 25 and sent to EPA's lab for analysis. Results are expected within 60 to 90 days.

Other State/Federal Mandated Water Testing:

- Coliform- Monthly (August test results: 0 contaminants noted).
- Chlorine concentration- Daily (No negative reports).

State DOH System Reporting:

- Distribution System Residuals – Reports submitted for July.

<b>Utility Locate Requests</b>	<b>This Month</b>	<b>Last Month</b>
Emergency Locate Requests (Requires O/T)	0	02
Routine Locate Requests (Does NOT require O/T)	29	24

PRV Station maintenance:

We have selected Prestige Worldwide Technologies LLC to perform rebuilds and maintenance of our 18 pressure reducing control valves located in our PRV stations. We are currently working with them on a start date.

Fire hydrant Maintenance:

The Association has roughly 205 Fire Hydrants located throughout the distribution system. The goal of this hydrant maintenance is to ensure their functionality and reliability when they are most needed and to also document water pressures at each location.

<b>Fire Hydrant Maintenance</b>	<b>This Month</b>	<b>Last Month</b>
Number of Fire Hydrants Exercised	52	0
Project Completion	25%	0



**Office Manager Report**  
**Aug 15th Monthly meeting**

1. Outstanding AR as of 8/14/2023 (current invoice balances not included)
  - Phase 1
    - \$12,828.31
      - 119 members 30-60 days late (\$8,596.31)
      - 32 members from above are also 60-90 days late (\$572.00)
      - 28 members from above are also 90-120 days late (\$2,020.00)
      - 11 members from above are also 120+ days late (\$1,640.00)
      - 2 Members are on payment plans (not in count above)
  - Phase 2
    - \$7,574.55
      - 9 members 30-60 days late (\$425.00)
      - 68 members from above are also 60-90 days late (\$4,533.05)
      - 11 members from above are also 90-120 days late (\$217.00)
      - 9 members from above are also 120+ days late (\$2,399.50)
      - 2 Members are on payment plans (not included in count above)
  - Phase 3
    - \$0
2. Miscellaneous Items
  - Shut-Offs
    - Late fees and shut offs have been suspended by the board.
  - The Audit for 2021/2022 is ongoing.
  - We are working to get all data to CUSI for the implementation process.

Thanks,

Deana Sweet  
Office Manager