

SEVEN LAKES WATER ASSOCIATION, INC.
Board Meeting Minutes – February 21, 2023 - RevC

The meeting called to order AT 6:30 PM by Board of Trustee President, Bruce Holen.

IN ATTENDANCE:

Board Members: Marc Lebeau, Karri Chase, Bruce Holen, Mary Jo Lake, Bryan Gregory

GUESTS/Members: (1) Kim Gudgel

Employees: Deana Sweet (Office Manager)

ABSENT: Keith Krueger (Excused Absence)

MINUTES:

The minutes for the January 17, 2023 meeting were reviewed and a motion to approve was submitted by Marc Lebeau, it was seconded by Karri Chase. The **vote** was unanimous for approval and the Motion was carried. The Secretary and the President signed a copy for the official record.

Board Resignation Letter dated 01/29, received from Board of Trustee member, Andrew Springer. After a short discussion, it was moved without objection, to accept.

OPS MANAGERS REPORT:

Eric Hentila previously provided the Board President with notes with updates on various projects and current and future plans. They are summarized below:

Wireless Meter Installation: Total Project Complete: 38% (Last Month 34%)
Installed this Month: 94 (As of 2/16)
Installed Last Month: 62
Total Installed: 844
Meters on Order: Received 250 meters on 2/16.
(Expected shipments in May, Aug, and November)

Emergency Generator Installation: Total Project Complete: 50% (last month 35%)
Generators Delivered: 03
Generators installed: 03
Propane Tanks Delivery: 03
Installations Began: 11/16/22
Electrician start wiring: 11/17/22

Loma Tank Genset: Electrical wiring complete (+ new breaker panel, replaced outdated. Office Building: Genset & Propane tank in-place. Trenching for pipes & cabling commenced. Electrical Contractor plans to trench all 3 sites this week. Propane Contractor will install regulators and make connections this week.

New Chlorine Injection Pump for Well 9 Installed. Spare ordered for shelf.
Pipe locating tool has been received. Eric is impressed with its capability and quality.

PFAS Sampling: Federal EPA requested voluntary well samples to test for “Forever chemicals” The first of two phases were completed on 01/23. It will be followed by a second sampling in mid-year. There is a webinar to demonstrate how the information may be accessed.

Bruce Holen announced that Eric Hentila had successfully passed the Water Operator I Certification test. And can now begin studying for the Water Operator II certification. Confident that he has collected the experience needed to qualify to sit for the test.

OFFICE MANAGERS REPORT:

Deana Sweet provided an update with details on the following:

Billing Cycle: Billing for Phase 2 beginning of February, April 2023, etc..
This will be the FIRST Billing Cycle since Covid Restrictions – that LATE FEES will be assessed for late payments of the February Invoices. Notices provided on Billing Statements.

Billing Cycle for Phase 1 will begin in March 2023.

Billing Cycle Phase 3 (Commercial) will be invoiced every month.

Accounts Receivable: PH1: \$28,447.39, PH2 \$25,953.07, PH3 \$1,608.95 outstanding.

Banking Access: All accounts w/exception of BECU.

All old, closed accounts have been refunded any credits.

All old meeting minutes are scanned to MS Teams.

All old water testing reports have been scanned to MS Teams.

Recycled dozens of old (outdated) documents from Office shed.

Bruce Holen asked about “Exception Reports” for water usage and the process was explained by Deana. The Field Supervisor (Hentila) plays a critical role in confirming accuracy of the data before the billing invoice is sent out.

SECRETARY’S REPORT:

Confirmed that State of Washington State Dept of Health shows our “Permit Category” as YELLOW because our Water System Plan (from 2012) is not been revised. Before 2017, it was a 6-Year Requirement, now it is a 10-YR Requirement.

ACTION ITEM: Facilities Committee. Identify a contractor to prepare an updated WSP.

Set up a SLWA account with Skagit Region Health for Occupational Medicine “walk-In” Support. This will allow them to bill us for services provided, rather than using the SLWA Credit Card.

(Residual) TREASURER’S Report:

2021 Audit was completed and received by 01/20 from Paul Hernandez (LANGABEER MCKERNAN BURNETT & CO. P.S.) He is preparing a proposal to handle the 2022 Audit Report.

VISA Credit Card Application (Chase Bank) is completed. Awaiting delivery of the cards. Daily limit \$10K vs. \$50K requested for all three cards.

Marc Lebeau offered a **Motion** to removed Paul Lucas, Kim Gudgel and Craig (Nelson) Thompson from all SLWA Banking Accounts. (Savings/Checking/Credit Cards/CD's and Safe Deposit Boxes). The motion was SECONDED by Bryan Gregory. Discussion followed. Vote: 5 Yes, 0 No. Motion carried.

Marc Lebeau offered a **Motion** to add Bruce Holen and Karri Chase to all remaining SLWA Banking Accounts. (Savings/Checking/Credit Cards/CD's and Safe Deposit Boxes). The motion was SECONDED by Karri Chase. Discussion followed. Vote: 5 Yes, 0 No. Motion carried.

Marc stated that he would be willing to remain on the bank accounts to promote bench depth, and sign checks if desired by the Treasurer. Otherwise, with the completion of the above residual tasks, he will be finished with all duties related to the Treasurer role. Karri Chase acknowledged that she would assume responsibility for managing all account access.

TREASURERS REPORT:

Karri Chase provided a Profit & Loss Statement (Sept 2022 – January 2023) and a Balance Sheet (as of January 31, 2023). It was reviewed by the Board and questions were posed and answered appropriately.

Karri reported that the move to use the Uniform System of Accounts for Water Utilities for our General Ledger (GL) coding has almost been completed. Most GL accounts now carry the new codes, but there are still some corrections. Establishing a Budget for this Year remains a HIGH PRIORITY; still forming.

Karri Chase recommended that we accept the proposal by LANGABEER MCKERNAN BURNETT & CO. P.S. to conduct our 2021-2022 Audit.

Karri Chase offered a **Motion** to accept the proposal to have Langabeer, McKernan, Burnett & Co perform the Association's next Audit. The motion was SECONDED by Bruce Holen. Discussion followed. Vote: 5 Yes, 0 No. Motion carried.

Karri Chase discussed the critical need to hire a part-time employee, independent contractor or accounting service to perform monthly reconciliations for our accounts in order to remain GAAP compliant. Karri offered to assist with developing the duties & Responsibilities of such a worker.

ACTION ITEM: (Personnel Committee) Explore a Part Time Bookkeeper or Temporary contracted Worker to reconcile our bank accounts each month. This will eliminate the future need for a member of the Board of Trustees to perform that function.

FACILITIES COMMITTEE REPORT:

Marc lebeau reported that a Committee Meeting was held on 01/25 (at Keith Kreuger's residence). Using his MS Teams Account, met virtually with Mr. Paul Weller, an interested contractor from Pace Engineers to discuss revising our outdated Water System Plan. Initial ballpark estimate for the Revised Report is \$250K and typically takes 2 years to complete. We discussed at length what is required in the process. We have identified two other Contractors that do WSP's. We plan to meet with a second Contractor (Davido Consulting) virtually week of 27FEB23. Contacted SvR Design Co. (Seattle) that prepared our 1999 Report. No response. (Under a new shell Corp.) Received a "NO BID" from Engineering Firm that did our last Report (WR Consulting). He is retiring.

Priorities for the Facilities Committee were discussed. After WSP, the next project that was identified was reviewing Leases. Need to prepare a response to Letter from land owner of Well #9 to revise expired lease contract.

Plan to formalize a list of Projects for Board Review by next meeting.

PERSONNEL COMMITTEE REPORT:

Mary Jo Lake reported that she is working on refining Job Descriptions. Also reviewing the Employee Handbook for improvement opportunities. Kim Gudgel offered to provide examples that he had collected.

Bruce Holen mentioned that in discussions with Paul Lucas, he determined that Paul is willing to stay on in a part-time capacity, a couple of days a week for an undetermined period of time. The Board was pleased with the prospect, but there was favorable support to formalizing the arrangement in a written Agreement.

ACTION ITEM: Personnel Committee. Redefine the part-time job description and draft an agreement between Paul Lucas and the SLWA. Marc offered to assist as needed.

Bruce Holen brought up the discussion about moving forward with the Board's earlier direction to advertise the OPS Manager position. Job posting on ZipRecruiter has yielded zero qualified applicants.

Marc Lebeau offered a **Motion** to expand the advertising effort to include a posting on the American Water Works Association (that we are a member of). Pre-approve an expenditure in an amount not to exceed \$500. The motion was **SECONDED** by Bryan Gregory. Discussion followed. Vote: 5 Yes, 1 No. Motion carried.

COMMUNICATIONS COMMITTEE REPORT:

Keith Krueger provided Postcard mailer DRAFT for Board Review along with price quotes from several printing services and circulated in advance of the meeting. There was enthusiasm for the idea and interest in reviewing the final version before printing

begins. Bruce Holen offered a **Motion** to move forward with an expenditure of Not to Exceed \$1,637 with Data Print. The motion was **SECONDED** by Mary Jo Lake. Discussion followed. Vote: 5 Yes, 0 No. Motion carried.


Deana Sweet reported that several functions of the SLWA website had been corrupted and no longer functioned properly. Bruce Holen mentioned that she would benefit from some website training.


ACTION ITEM: Communications Committee. Look into the malfunction of the website utilities and arrange for the necessary interventions to correct.

COMMENTS FROM MEMBERS:

Kim Gudgel mentioned the importance of competitively sourcing new hires and urged the Board to "stay the course" with plans to expand OPS Manager search efforts.

ADJOURN: 8:38 PM


Submitted by: Marc Lebeau, Secretary-Treasurer

 3/21/23
Certified to be a True Copy by: Bruce Holen, President