

SEVEN LAKES WATER ASSOCIATION, INC.
Board Meeting Minutes – May 16, 2023

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

IN ATTENDANCE:

Board Members: Keith Krueger, Marc Lebeau, Karri Chase, Bruce Holen, Mary Jo Lake, Bryan Gregory (virtual), Leslie Magnuson

GUESTS/Members: (0)

Employees: Eric Hentila (Ops Manager), Deana Sweet (Not present due to illness)

ABSENT: None

MINUTES:

The minutes for the April 25, 2023 meeting were reviewed and a motion to approve was submitted by Marc Lebeau, it was **SECONDED** by Bruce Holen. The **vote** was unanimous for approval and the Motion was carried. The Secretary and the President signed a copy for the official record.

A special Meeting of the Board of Trustees was held on 06 MAY, 2023 for the purposes of discussing and consolidating Board expectations for responding to Eric Hentila's Employment Counter-offer. The minutes from that meeting are attached. Discussion was followed by a Unanimous VOTE to approve the offer. On 08 May, 2023, Bruce Holen and Keith Krueger presented the Board's counteroffer to Eric Hentila and he accepted. (See 06 May, 2023 SLWA Letter Offer – on file within Board Personnel Files) Congratulations to our new SLWA Operations Manager!

OPS MANAGERS REPORT:

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

Wireless Meter Installation: Total Project Complete: **49%** (Last Month 46%)
Installed this Month: 64 (As of 5/12)
Installed Last Month: 103
Total Installed: 1,084

PFAS Sampling: Still awaiting results from the Federal EPA testing. We will receive them via e-mail when the results are available.

Other State/Federal Mandated Water Testing:

- Herbicide (Well 9) – Completed
- Lead & Copper – Sched for June 2023
- Coliform – Monthly (May tests results: 0 Contaminants noted.)
- Chlorine Concentration – Daily (No negative reports)

Uni-Directional Water Main Flushing: Maintenance project began 3/19. 4/19 – 5/12: System flushed at 22 locations, mostly dead-end portions of our system semi-annually. (Spring/Fall). The QTY of gallons flushed this period: 112,300 Gallons. Flushed to date: 229,100. This water was directed back into the adjacent aquifer.

Utility Locates: (Since Last Report)

Emergency Locate Requests: 01
 Routine Locate Requests: 24

DOH System Reporting:

Distribution System Residuals – Past Due: Reports submitted for March/April
 Cross Connection Control Annual Summary (2022) – Past Due. Report submitted.
 Water Use Efficiency – Data submitted to our files. Report to DOH in July, 2023.

Certification Status Update:

DOH reported that SLWA meets criteria for a temporary certification of a Waterworks Operator to remain in compliance due to our vacated position. DOH approved the credentialing data provided by Eric Hentila and approved the submittal in a written response letter. Eric Hentila has applied for and was approved for the Water Distribution Manager II testing to be completed at a future date.

OFFICE MANAGERS REPORT:

Although not present at the meeting, Deana Sweet provided an update in advance of the meeting - with details on the following:

Number of Delinquent Payment Accounts:

| Billing Cycle | Days Delinquent | | | Phase Amount |
|---------------|-----------------|------------|-----------|---------------|
| | 30 – 60 Days | 60-90 Days | 120+ Days | |
| Phase One | 110 | 74 | 32 | \$ 16,378.73 |
| Phase Two | 122 | 74 | 33 | \$ 18, 105.04 |
| Phase Three | 0 | 0 | 0 | 0 |

The Board discussed these troubling number of accounts. Deana Sweet had outlined in her report summary, a potential need for guidance on whether a “Grace Period” would be considered by the Board. The Board felt as though such a period would not correct the behavior and instead insisted that the \$8 late fee should continue to be assessed on all accounts overdue. Most on the Board had not reviewed the SLWA Policy on applying late fees to delinquent accounts.

Action Item: (Deana Sweet): Provide a written copy of the current fee assessment policy to the Board for further review and for determination as to whether it requires revision. Until that occurs, and feedback is received from the Board, further late fee

assessments are to be suspended (but not cancelled). More guidance will be provided by the Board, prior to the next monthly meeting.

Action Item: (Bruce Holen) Discuss this issue with Deana upon her return to work.

The Board discussed the process of disconnecting service on those accounts that are more than 4 months past due. According to the Articles of Incorporation, Article 11.7(b), the Board has a right and an obligation to our members to discontinue service to unpaid accounts. We need to fully understand all remedies available to the Association before Utility Liens on properties are considered.

Deana Sweet also outlined an idea to solicit updated contact information from our members. She believes that she can rework the SLWA Invoice to include a place for members to provide. She noted that some of the overdue accounts did not have current contact information, frustrating her efforts to determine the cause of the delinquent account. The Board favored this idea.

Action Item: (Deana) Submit to the Board Secretary, a proposed narrative for review before being distributed to our members.

Deana had designed door tags to notify members that their water had been shut-off, and they had been reviewed by the SLWA Secretary.

Action Item: (Deana) Distribute final versions of the tags to Board Members by E-Mail.

SECRETARY'S REPORT:

Nothing Significant to Report (NSTR).

TREASURERS REPORT:

Karri Chase provided advanced copies of the Profit & Loss Statement (FY- 30 April 2023) and a Balance Sheet (as of 30 April, 2023) to the Board Members prior to the Meeting. It was reviewed; no questions were posed.

Exploration of a replacement Accounts Receivable (A/R) Data Management Program has begun. The existing program in use ("Bill Master"), while functional, is old and antiquated. Deana has identified two potential replacement programs. Karri will arrange a functional demonstration (via Zoom) from the vendor to help with a final recommendation to the Board. Marc Lebeau and Bryan Gregory both expressed interest in joining the presentation. Karri agreed to coordinate – when a date is selected.

Action Item: (Karri) Provide the cost and functionality information on the recommended Program to the Board for awareness.

Bruce Holen asked whether we needed to have the Operations Manager on the Chase Checking Account as a signer, pointing out that, in the past Mr. Paul Lucas was an authorized signer. Now that Karri has been added to the Chase Account, she felt that it would be a redundant capability.

Karri announced that she has plans to move funds between our banking accounts and would present a recommendation to the Board at a future meeting.

Follow-up to last month's ACTION ITEM: Karri Chase. Provided a recommendation on a system to either track employee hours and/or seek a commercial vendor to provide payroll services (Like ADP).

FACILITIES COMMITTEE REPORT:

Marc Lebeau provided an update on the contracted effort by DCG-Watershed to update our SLWA Water System Plan (WSP). Our POC is Kelly Evans Provided the following report: "Per our call this week, I will be providing the Tax ID, etc. to Deana Sweet upon receipt from my accounting group. We are working on a schedule now for kickoff meetings (DOH and separate for site visit) and a list of items we will need from your association. I will hopefully be in contact with you next week once we get everything together and hear from DOH to start solidifying dates."

Note: On 25 APRIL, 2023 the Board accepted the written proposal from Davido Group Consulting (DCG) – Watershed for the formation of a revised Water System Plan (WSP) to conform to WA State Dept. of Health requirements. (See April 26, 2023 Letter from DCG on file within Board Facilities Committee Files)

Marc reported that the next project for the Facilities Committee was to begin a thorough examination of our existing leases, including the Well 9 location – where the lease has expired. More information will be provided to the Board as it becomes available.

PERSONNEL COMMITTEE REPORT:

Mary Jo Lake asked if the Board still wanted to pursue a "consultant role" for the nearly-retired Paul Lucas. A discussion followed outlining the various pros and cons of continuing that effort. With the DOH approval of Eric Hentila as an interim fill for the Water Operator II certification, we may be under less risk if we allow Paul Lucas to detach and begin enjoying his retirement.

Action Item: (Personnel Committee): Coordinate with Paul Lucas to finalize his affiliation, including an "exit Interview" and turning over SLWA property (Keys, phone, lap top, etc.) and resolving his pay and benefits that may remain outstanding.

NEW BUSINESS:

Bruce Holen prompted some continued discussion on the merits of assigning a Board "Point of Contact (POC)" for each of the Managers (Operations and Office). The pros and cons were discussed. Bruce mentioned that such a position should be a Board member, other than himself – so that he may remain bias-free and neutral. The collateral duty for the Board Member(s) would be akin to a "Liaison" to the Board of Trustees, to reduce to the extent possible, each employee receiving multiple (or conflicting) guidance from disparate Board Members. Other Board members are not prevented from communications with either Manager, but there was agreement that for "official Business" we would all try to use the POC as a conduit to the specific

employee. Keith Krueger questioned whether - if during the performance of his duties as VP or a Committee Member, or in accomplishing an Action Item by the Board, he needs to communicate with a manager, by doing so, he wanted assurances that he was still operating within the guidelines of this new protocol. There was mutual agreement on the discussed concepts by all members.

Bruce Holen made a **motion** that Keith Krueger be the POC for the Operations Manager. The motion was Seconded by Marc Lebeau. Discussion took place and was followed by a vote: Unanimous vote for approval. Motion Passed.


Bruce Holen made a **motion** that Karri Chase be the POC for the Office Manager. The motion was Seconded by Mary Jo Lake. Discussion took place and was followed by a vote: Unanimous vote for approval. Motion Passed.

The Board discussed the protocol used when handling employee information. Although the Office Manager currently handles the payroll, and therefore has reason to access the PII from the other employees - it was agreed that a future state would release her from those duties, and therefore matters of employee earnings, Leave Balance, etc. would be handled and maintained by the Board of Trustees, and NOT the Office Manager. There was agreement that a separate locked file cabinet in the office for the storage of the Managers' Personnel File would be kept, with the Manager POC's having unrestricted access.

ADJOURNED (9:00PM) The Meeting.

 6/20/23

Submitted by: Marc Lebeau, ~~Secretary~~ Treasurer

 6/20/23

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