



Meeting Minutes

December Board Meeting	
1/16/2024	Location - Office
Type of Meeting	Monthly Board Meeting
Facilitator	Keith Krueger, President
Note Taker	Keith Krueger, President
Attendees	Keith Krueger, President Leslie Magnuson, Vice President Laura Leuze, Treasurer Mike Haney, Trustee Bruce Holen, Trustee Eric Starup, Trustee Marc Lebeau, Legal POC Deana Sweet, Office Manager Eric Hentila, Operations Manager Absent: Kristy de Vera, Secretary
Called to Order at 6:29 PM	
Presenter	Keith Krueger
Discussion	There was a motion to approve the previous meeting minutes from December 19, 2023 <i>Bruce motioned to approve, Mike seconded, and the motion was passed.</i> Minutes will be circulated for electronic signature by Keith and Kristy
Operations Manager Report	
Presenter	Eric Hentila
Discussion	Please see the attached report.



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Eric H. has engaged a colleague with Camano Water Association for benchmarking and info sharing. All agreed building a relationship was in the best interest of the Association.

Recent cold weather resulted in several frozen meters and member-side lines necessitating weekend work to support. No issues noted with wells or service lines.

Eric H. will conduct a tour for several board members on 1/18 to visit all operation sites

Office Manager Report

Presenter	Deana Sweet
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Discussion	Please see the attached report.
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It was noted that the number of overdue/delinquent accounts has decreased but continues to be a substantial number. 16 members received shutoff notices in December resulting in 1 member being shut off and locked out due to lack of payment. No responses have been received from this member.

Deana was requested to contact CPA to initiate 2023 financial audit. Deana noted that the 2022 audit cost was approximately 25% less than 2021. CPA to provide 2023 cost estimate with the engagement process.

Keith recognized and thanked both Eric H. & Deana for the work that they have been doing and referenced recent feedback from several members that were very pleased with the high level of customer service.

Treasurer Report

Presenter	Laura Leuze
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Discussion	No Attachments
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Monthly & YTD P&L and balance sheets were provided and reviewed.

Leslie and Laura have been to Key Bank to sign documents. Kristy and Keith still need to sign to complete the process of having all Officers as signers on accounts.

Discussion ensued on fees that the Association pays to allow members to use credit cards. December fees were lower than average, however, the number is expected to continue to grow and represents a large cost to the Association.

Action Item to Finance Committee: Review policy regarding credit card fees and the possibility of incentivizing paperless billing. Additionally, discuss if duplicate bills provided to renters should incur a small fee.

Lawsuit

Presenter	Marc Lebeau
Discussion	Please see the attached report.

Marc Lebeau attended the recent hearing virtually and provided the attached report. All information contained in the report is public record and has been vetted by our attorney.

Personnel Committee Report

Presenter	Leslie Magnuson
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Committee met at the office on 1/9

Committee to continue to investigate third party payroll and HR support services to create a comparison between products to determine value to the Association. Discussion ensued about the use of a third party versus hiring additional personnel. The committee will review costs and make a recommendation.

Finance Committee Report

Presenter	Leslie Magnuson
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Committee met at the office on 1/9



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Working on a master list of vendors & contact information to ensure operational capability in the event of an illness or other absence.

Leslie plans to work with Deana to create a basic budget report from QuickBooks based on 2023 spending.

Other Items of Business

Presenter	Keith Krueger
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Discussion	No Attachments
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Laura created a draft confidentiality agreement. Marc offered to review it further to strengthen the legal backing. The Goal is to circulate for review and sign prior to February meeting.

Background checks will be deferred until HR/Payroll decision is made as the services typically include annual background checks

We need to file officer change with the Secretary of State. Action Item: Keith to work the Deana to file

Employee Handbook revisions made since the last meeting were reviewed and accepted. Keith to make clerical updates including typos and revision control and will circulate electronically for final review and acceptance.

Member Comments:

Marc suggested that we review if we are still paying any state benefits for past employees such as L&I or unemployment.

Marc suggested we contact DCG to understand the draft Water Systems Plan. The initial contract included periodic updates and presentations to the Board.

Meeting adjourned at 8:57pm.

Minutes Approved by the Board

Certified to be a True Copy by: Keith Krueger, President

Keith Krueger

Seven Lakes Water Association
OPS MANAGERS REPORT:

For 16 January 2024

Meter Upgrade Project	This Month	Last Month
New Radio-Read Meters Installed	35	2
Total Radio-Read Meters Installed	1636	1601
Project Completion	74%	72%

Other State/Federal Mandated Water Testing:

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

State DOH System Reporting:

- Distribution System Residuals– Monthly. Reports submitted for December.

Department of Ecology Reporting:

- Water Rights Metering Database- Annual. 2023 system production data for all Well sites and static water levels for Wells 7 & 10 have been submitted to DOE.

Utility Locate Requests	This Month	Last Month
Emergency Locate Requests (Requires O/T)	0	0
Routine Locate Requests (Does NOT require O/T)	18	5

Mainline Gate Valve Maintenance & Exercising - Annual: *Project Completed

The Association has approximately 277 Mainline Gate Valves located throughout the distribution system (not including 278 FH Aux. valves). The goal of this annual maintenance is to Locate, Raise valve box to grade as needed, Clean out valve box and exercise valves to ensure functionality.

Valve Maintenance	This Month	Last Month
Number of Valves Exercised	67	135
Project Completion	100%	75%

Motor Inspections Wells 6,7 & 10

PumpTech came out on Tuesday December 19th.

Well 6: Motor is good. Rebuilt in 2021

Well 7: Motor is good, loud whine was reported as the frequency of the VFD. Motor replaced 2021.

Well 10: Will need to be removed and rebuilt Fall/Winter 2024. Current motor was last rebuilt in 2007. Cost estimate for 2024 rebuild has been requested.

Seismic Controllers

Beaver Equipment is scheduled for February 6th to install the new recertified equipment at Tank 6. Training will be provided to Ops Staff same day.



Office Manager Report
Jan 16th Monthly meeting

1. Outstanding AR as of 01/12/2023 (current invoice balances not included)

Outstanding Accounts Receivables Aging					
Billing Cycle	31 – 60	61-90	91-120	120+	Phase Amount
Phase One	7	91	14(fees)	32	\$ 6,095.66
Phase Two	151	30	27	9	\$ 10,199.64
Phase Three	0	0	0	0	\$ 0

Note: Cumulative figures. Members 120+ days late are also included in the 30-60, 60-90, 90-120 days late.

4 members are on payment (not included above)

2. Billing software switch over to CUSI.

- Customers are getting signed up on the new payment portal and setting up auto pay.
- The account update letter went out to all members via mail and twice to email members. It will go out one more time to all members via mail and email with any updated info needed.
- I am working on getting ACH set up for the 2nd auto pay option. I was unaware that e-check is not an auto pay option and can only be used for 1-time payments in the new billing system.
- I am working with tech company and CUSI to get credit card reader working.

3. Miscellaneous items

- I am waiting for Board approval to move forward with the 2022/2023 audit with our existing CPA firm.
- Server crashed on Wed due to multi power surges. I was able to get the Tech company out and they were able to repair it on site and it is back up and running. It got corrupted during the surges.
- The backup battery that connects to the SCADA system and the server to keep them running in between the power outage and the generator kicking on did not work and the tech guy was able to fix the setup so it will work next time the power goes out.

Bodger v. Seven Lakes Water Assn., Inc et al.
POC Litigation Update
16 January, 2024



The following is an update, specifically designed to keep the SLWA Board of Trustees, and Co-Defendants (former SLWA Board of Trustee Members and former General Manager) apprised of progress as of this date. The Association is being represented by the law firm of Simmons-Sweeney-Freimund-Smith-Tardiff, PLLC (SSS Law Group) and the former employee, (Plaintiff) is being represented by Rodney R. Moody. Our assigned Counsel includes Mr. Bret Simmons, Ms. Kaylynn What, and Ms. Jessie English. SLWA maintains insurance that includes litigation defense that should cover most costs to the Association. The Association also has coverage that includes certain awards and damages that may arise. Our policy deductible that has been paid.

Noteworthy actions/decisions (Since last report):

- Ms. Kaylynn What filed a “Motion to Dismiss Pursuant to CR 12(b)(6) and UPEPA, RCW 4.105.” to the Court on November 29th, 2023.
- Mr. Rodney Moody filed a “Plaintiff Response to the Motion to Dismiss” on December 02, 2024. (19 pages). Of possible Board interest, the following assertions by the Plaintiff:
“The Board Members had full knowledge of the allegations made in the complaint.” (Pg 6 – L19)
And the following: “If notification is given to an agent who has or appears to have authority “either to receive it, to take action upon it, or to inform the principal or some other agent who has duties in regard to it,” then such notice is chargeable to the principal.” (Pg 7 – L6) [Citing a 1981 Washington case: *Roderick Timber Co. v. Willapa Harbor Cedar Products, Inc.*]
- A Hearing in the Washington State Superior Court for Snohomish County on the Motion to Dismiss was held on January 12, 2024. 10:25 AM before Hon. Millie Judge, Superior Court Judge.
- Ability to attend virtually via ZOOM allowed attendance by myself, Mr. Bursell and Mr. Gudgel. Mr. Erue (representing himself) was also present in-person. Ms. Bodger and her attorney were present in-person at the court hearing. Merits of the case were cited briefly, but the focus of the hearing was to rule on the Civil Procedures that guide Pre-Trial Motions.
- Counsel for the Plaintiff (Moody) argued that the Motion to Dismiss (based on Court Rule (CR) 12(b)(6)) was based on evidence presented, beyond that in the initial pleading. He also conceded that the WA Law Against Discrimination (WLAD) is restricted to Non-profit organizations with more than 8 employees; will likely drop that from any revised complaint.
- Counsel for the SLWA (What) argued that the standard of review under UPEPA requires reference to facts and actual evidence, and is not the CR 12(b)(6) standard that relies on allegations only.
- Ms. What articulately outlined the points made in her 11/29 court submittal.
- The Judge was not willing to provide a ruling on the Motion during the hearing and hoped to do so by 01/19.
- SLWA has the right of immediate appeal regarding the defamation and false light claims if our motion is denied. Further discussion will be required if that is the case.

If you have questions or concerns, please contact me at Lebeau@7lakeswater.com.

Kind Regards,

Marc Lebeau – Volunteer
Litigation POC, SLWA Board of Trustee