

SEVEN LAKES WATER ASSOCIATION, INC.

Board Meeting Minutes – January 5, 2023 (RevB)

The meeting called to order AT 6:31 PM by Board of Trustee President, Bruce Holen. This Meeting was rescheduled from the weather-postponed December 20, 2022 meeting.

IN ATTENDANCE:

Board Members: Keith Krueger, Marc Lebeau, Karri Chase, Bruce Holen, Andrew Springer

GUESTS/Members: (1) Bryan Gregory

Employees: Deana Sweet (Office Manager)

ABSENT: Mary Jo Lake, Paul Lucas (Ops Manager)

MINUTES:

The minutes for the November 15, 2022 meeting were reviewed and a motion to approve was submitted by Bruce Holen, it was seconded by Andrew Springer. The **vote** was unanimous for approval and the Motion was carried. The Secretary and the President signed a copy for the official record.

OPS MANAGERS REPORT:

Paul Lucas 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: 30% (Last Month 28%)
Installed this Month: 62 (As of this date)
Installed Last Month: 55
Total Installed: 669
Meters on Order: 1,000 (250/2-months)

Emergency Generator Installation: Total Project Complete: 35% (last month 30%)
Generators Delivered: 02
Generators installed: 02
Propane Tanks Delivery: 03
Installations Began: 11/16/22
Electrician start wiring: 11/17/22

Propane tanks are installed at Lake Loma, Tank 6 and Office Building.
Trenching between Propane Tanks and E-Gens pends completion all three sites.
Need to order a new Chlorine Injection Pump for about \$2,200.
(Board was provided purchase data via e-mail before meeting.)

Bruce Holen made a motion to approve this purchase. It was seconded by Andrew Springer. The **vote** was unanimous for approval and the Motion was carried.

Eric Hentila provided data on a pipe locating tool to the Board via e-mail prior to the meeting. It exceeded the dollar value approved at the September 20, 2022 Board Meeting. Bruce Holen made a motion to approve this purchase. It was seconded by Andrew Springer. It was followed by a discussion. Eric provided a justification statement for sole source purchase, and it was apparent that there was only one source for this particular Pipe Locating Tool. The **vote** was 4 to 1 for approval and the Motion was carried.

Bruce Holen discussed a letter of Retirement submitted by Mr. Paul Lucas, effective on December 18, 2023. There was significant discussion about activities that the Board would need to conduct in preparation for this date. The Board motioned and seconded a short list of items to be accomplished and were assigned to Board members for action. The motions were unanimously approved.

Bruce Holen discussed an opportunity for a familiarization tour of the SLWA system for the new Board of Trustee Members. It was scheduled for Thursday, January 12th, 2023 at 1:00PM. Those wishing to attend were asked to contact Bruce Holen via e-mail.

OFFICE MANAGERS REPORT:

Deana Sweet provided an update with details on the following:

Billing Cycle: Billing is back on track and up to date.

Accounts Receivable: PH1: \$27,665, PH2 \$63,305, PH3 \$2,110 outstanding

Banking Access: NW Plus Credit Union still no access (Savings, CD).

Audit: All data provided to Accountant.

Escrow Closings: Backlog removed.

Need for a full time bookkeeper seems reduced; discussed part time/temp.

Set up remote access to Office Computer to allow work from home should sickness or weather-related road conditions prevent her from being in office.

Approx. 150 Members are past due on their monthly Bills; notices were sent.

Looking at 5 different replacement AR Programs; will send to Treasurer for approval when a single program is selected.

Bruce Holen submitted a motion to have Paul Lucas withdraw the funds from the SLWA accounts at NW Plus Credit Union and close both accounts. The funds will be turned over to the Treasurer, who will decide the best place to deposit those funds. It was seconded by Andrew Springer. The **vote** was unanimous for approval and the Motion was carried.

ACTION ITEM: (Bruce Holen) Communicate that task direction to Paul Lucas upon his return.

Bruce Holen discussed whether we needed to shift the date and time of our Regular monthly Meetings. It was decided that there was no need to shift from the 6:30PM on the third Tuesday of each month. Marc Lebeau discussed a need to clarify that the

Section 7.6 of the By-Laws outlines that Regular Meetings required "Proper Notice," and if the day/date or time should change due to weather or power-outage, etc. the "Proper Notice" applied to efforts to alert our Association Members of any changes to the Regular Monthly meetings on the 3rd Tuesday of each month.

TREASURERS REPORT:

Karri Chase provided a Profit & Loss Statement (Sept – November, 2022) and a Balance Sheet (as of November 30, 2022). It was reviewed by the Board and questions were posed and answered appropriately. She reported that the separation of accounts is not yet completed, and planned to go back FIVE Years in order to "unscramble" those amounts.

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.

Our monthly incomes safely covers our normal operations.

Discussions needed for the future on Assessments for Capital improvements; will be based heavily on a revised Water System Plan.

Desire to better understand charges assessed to Members without meters (~15-20)
Establishing a Budget for this Year remains a HIGH PRIORITY.

Our 2021 Audit is being prepared by Langabeer, McKernan, Burnett & Co. (Stanwood Office), with Mr. Paul Hernandez, CPA assigned our account. He has provided a DRAFT to the former Treasurer, the Treasurer and the President for review. No exceptions noted. We should have the Final 2021 Audit report by January 18th.

Bruce Holen asked for clarification on who was going to be removing former Board Members from our Savings, Checking and CD accounts. In order for Karri Chase to be able to appropriately perform reconciliation tasks, she outlined the need to remain off the accounts. Marc Lebeau mentioned that he had done this task when he became Secretary/Treasurer in 2022 but had no reconciling responsibilities.

ACTION ITEM: (Marc) Review all of our accounts and take action to remove all remaining former Board Members from our accounts and add Bruce Holen and Keith Krueger. After Paul Lucas departs, will need to do the same for accounts in his name.

SECRETARY'S REPORT

Marc Lebeau provided an update on a special project that he was working on regarding former Board Members.

Marc lebeau reported that he has NOT yet held a Facilities Committee meeting, but had nonetheless started to work on the Engineering Study that the Board had directed some months ago. SLWA has a 2012 Water System Plan (WSP), that requires updating by the State Dept of Health. (DOH). This Plan provides an in-depth evaluation of the water system and predicts future needs for budgeting. Three engineering consulting firms were identified and engaged for proposals to revise and update SLWA's WSP in 2023.

COMMUNICATIONS COMMITTEE REPORT:

Keith Krueger will Chair this committee. Deana now has the ability to update the website and has promised to provide that access to Keith.

Postcard mailer for quarterly newsletter was discussed.

(Prior to the meeting Keith distributed a DRAFT of a post card mailer)

It was discussed with great support.

Keith provided a rough estimate for budgeting to the Treasurer.

Bruce Holen discussed expectation for conduct of committees.

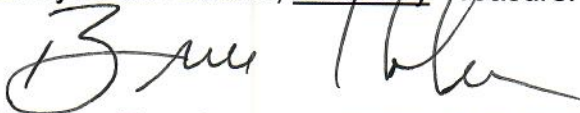
NEW BUSINESS:

Bruce Holen introduced Guest/Member Mr. Bryan Gregory. He had expressed some interest in joining the Board of Trustees and provided his background. He is currently an employee at Snohomish County PUD, working a standards and code compliance. His undergraduate degree (from UW) was in Electrical Engineering. He has lived on Lake Goodwin since 2015. He has family that also lives in the area. He was asked whether he would be willing to participate in the Board activities, for which he replied affirmatively. Andrew Springer made a motion that we accept Mr. Gregory onto the SLWA Board of Trustees. That motion was seconded by Marc Lebeau. The **vote** was unanimous for approval and the Motion was carried.

ADJOURN: 9:07 PM



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



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