

**SEVEN LAKES WATER ASSOCIATION, INC.**  
**Board Meeting Minutes – 20 June, 2023**

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

**IN ATTENDANCE:**

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

GUESTS/Members: (0)

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

**ABSENT:** None

**MINUTES:**

The minutes for the May 16, 2023 meeting were reviewed and a motion to approve was submitted by Karri Chase, it was **SECONDED** by Mary Jo Lake. 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:**

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

| <b>Meter Upgrade Project</b>      | <b>This Month</b> | <b>Last Month</b> |
|-----------------------------------|-------------------|-------------------|
| New Radio-Read Meters Installed   | 105               | 64                |
| Total Radio-Read Meters Installed | 1,189             | 1,084             |
| Project Completion                | 54%               | 49%               |

PFAS Sampling: Next sampling, July. Currently reviewing results from the Federal EPA testing. Re-sample regimen required by State DOH due to quality control issues at testing lab.

Other State/Federal Mandated Water Testing:

- Herbicide (Well 9) – Completed; (0 Contaminants noted)
- Distributed By-Products (DBP) – Samples taken; submitted to lab
- Lead & Copper – Completed; working on results letters to tested homes
- Coliform – Monthly (June tests results: 0 Contaminants noted)
- Chlorine Concentration – Daily (No negative reports)

Uni-Directional Water Main Flushing: First portion of semi-annual flushing complete. Since last report, 5 additional locations visited. The QTY of gallons flushed this period: 52,000 Gallons. Flushed to date: 281,100. This system water was directed back into the adjacent aquafer.

State DOH System Reporting:

Distribution System Residuals – Reports submitted for May/June.  
 Water use efficiency – 2022 Report submitted to DOH.  
 2022 Consumer Confidence Report – Final edits made; distributed to the Board of Trustees during the meeting for final review. Once approved copies will be distributed to members with before the July deadline.

| <b>Utility Locate Requests</b>                 | <b>This Month</b> | <b>Last Month</b> |
|--|-------------------|-------------------|
| Emergency Locate Requests (Requires O/T)       | 03                | 01                |
| Routine Locate Requests (Does NOT require O/T) | 45                | 24                |

**Watermain Repair:**

Standing water was noticed along the shoulder of Lakewood Road, in the location of a previous watermain break (December 2022). A Total Chlorine (TC) test was performed, validating a utility water leak at this location. A Utility locate request was submitted, Traffic Control Plan was drafted, and contact was established with our excavation contractor. The repair was scheduled for 16 June, 2023 and was completed in 4hrs with minimal impact to 25 members (These members were notified 5 days prior to isolating the system for repair.)

**OFFICE MANAGERS REPORT:**

Deana Sweet provided an update - with details on the following:

Number of Delinquent Payment Accounts (As of this report):

| Billing Cycle | Days Delinquent |       |        |      | Phase Amount |
|---------------|-----------------|-------|--------|------|--------------|
|               | 30 – 60         | 60-90 | 90-120 | 120+ |              |
| Phase One     | 125             | 43    | 30     | 13   | \$ 16,464.67 |
| Phase Two     | 59              | 50    | 13     | 13   | \$ 8,329.05  |
| Phase Three   | 0               | 0     | 0      | 0    | 0            |

Note: Cumulative figures. Members 120 days late are also 30-60, 60-90, 90-120 days late and included in those data sets.

Fourteen (14) Door Hanger Notices had been issued to members with a shut-off date of 07/15/23 due to delinquent accounts. Eight (08) notices remain outstanding, with two (02) members requesting payment plans. Fifteen (15) notices were sent by mail on June 13, 2023 with a shut-off date of July 01, 2023. All remain outstanding.

Deana reported on an investigation of our billing structure and noted that with a lawful re-designation of water distribution (currently \$25 a month) as a \$19 monthly base rate fee and \$6 as the water distribution fee. She reported that by changing “Service” vs. “Water Distribution” amounts, the SLWA could experience a monthly tax relief of approximately \$ 1,474.00 (\$17,688 annually). The adjustment would not affect the billing amounts that members are currently paying, just the tax that SLWA pays. While Deana was commended by the Board for her initiative, it was NOT supported by the Board’s Treasurer, Karri Chase. No motion for approval was offered.

“Snowbird” Accounts were discussed. These are accounts that, for a variety of reasons typically remain shut off for long periods of time at the member’s request. These accounts are charged only the \$4 monthly assessment. All such accounts are charged a nominal (\$25) fee for restoring water service. There was discussion on whether these members were contributing equitably to the system upkeep. It was reasoned that until we have revised data on what the cost *should be* for system recapitalization, a decision on whether to adjust that amount was premature and would be unsubstantiated by data. There was broad Board agreement that the fee charged for restoration, should be adjusted to cover the labor costs that SLWA incurs to perform such service.

Certificate Transfer Fees were also discussed. Currently they are \$25. The amount is vastly less than other local area water utilities charge for such a service. No action was taken on this topic. However, it reinvigorated the discussion on Membership Certificates.

**Action Item:** (Bruce Holen) Investigate the issue of Membership Certificates and provide a summary report to the Board.

#### **SECRETARY’S REPORT:**

Marc Lebeau provided a read-ahead to the Board Members on the issue of the SLWA Office Business Hours. Currently, we are advertising a 6-hour block of time (9AM – 3PM). A concern was expressed that this period was unnecessarily narrow for access by our members. There was popular support to expand the office hours to 8AM to 4PM. However, the Board decided to table the issue in deference to the allocated time for discussion.

Marc Lebeau brought up the issue of whether we wanted to make changes to the existing format of the Meeting Minutes. Bruce mentioned their lengthiness. It was brought to the Secretary’s attention that there is risk associated with transposing and characterizing reports made by members and employees. Rather than synopsising them in these minutes, (as has been done since joining the Board in April 2022), there seemed to be interest in annotating the Minutes with “attached,” with hardcopies of the Reports kept on file; available upon request to members. Whether or not we change the format, there is a need to retain discussion documentation on file in the SLWA office for audit purposes. Marc offered a **Motion** to change the format of the Meeting Minutes to no longer synopsis the reports (i.e., Manager Reports) and instead, refer to them as attachments. The motion was **SECONDED** by Bruce Holen. Discussion followed. Vote: 6 Yes, 1 No. Motion carried.

#### **TREASURERS REPORT:**

Karri Chase provided advanced copies of the Profit & Loss Statement (FY- June 15, 2023) and a Balance Sheet (as of May 31, 2023) to the Board Members prior to the Meeting. It was reviewed; Bruce Holen requested a copy of the May 2023 P&L, which Karri did not provide to the board in error.

Karri met with Mr. Paul Hernandez, CPA from the public accounting firm: Langabeer, McKernan, Burnett & Co. (LMBC) to discuss past audits. Journal Entries were

reviewed. Key in the conversation was an effort to better understand why SLWA was billed for so many labor hours to complete the audit. According to our auditor:

- Costs exceeded expectations due to extra time interfacing with staff and Board.

The IRS Form 990 (Annual Information Form) will be submitted to the IRS before July 15, 2023 (due date) by LMBC.

The Audit for FY ending (FYE) 2022 will be completed by July 15, 2023. Mr. Hernandez will be making a presentation of the audit at the July 18, 2023 Board Meeting.

Prior to the meeting, Karri Chase distributed the sales agreement, link to a system demo, and other pertinent information from Continental Utility Solutions, Inc. (CUSI). CUSI is offering a replacement Accounts Receivable (A/R) Data Management Program that she believes meets our needs. The up-front cost (\$9,835) is commensurate with similar programs with similar features. Karri offered a **Motion** to contract with CUSI for their proposed services outlined in the service agreement and to allow her to be the contract point-of-contact for the Board. The motion was **SECONDED** by Bruce Holen. Discussion followed. Vote: 7 Yes, 0 No. Motion carried

Karri Chase distributed copies of the previously-approved "Late Fee, Shutoff, and Suspension Policy", "Shutoff Letter" and "Payment Arrangement Rules" that she had assembled from past Board minutes and Resolutions. She modified the current policy to add language concerning a "Grace Period" the current Board approved. Keith & Marc offered to edit for improved clarity. Until revised, water service shut-offs were to remain on hold, prompting a need for quick turn-around on approving the revisions.

**Action Item:** (Keith Krueger & Marc Lebeau) Draft a revision to the "Late Fee, Shutoff, and Suspension Policy," and provide it to the Board for final approval.

Karri briefed the Board on three member cases that had sought Payment Arrangements for their water bill. Details were provided and all questions by the Board were answered. Karri offered a **Motion** to accept the Payment Plans requested. The motion was **SECONDED** by Marc Lebeau. Discussion followed. Vote: 7 Yes, 0 No. Motion carried

Karri also briefed the Board on a member with a current payment plan that was not being adhered to. She asked permission from the Board to contact and offer this member a new payment plan. The Board was supportive of that plan of action.

**Action Item:** (Karri Chase) Engage with the member directly to resolve account issue.

Karri is in contact with Key Bank to manage all the SLWA banking and CD accounts in one banking entity. All SLWA funds would be FDIC insured and would be in a sweeps account, giving interest on all funds. She will contact our current banks to see if they offer this type of account as well. She plans to determine whether Chase Bank or

Coastal offer a similar service. She agreed to present a recommendation with details to the Board at a future meeting.

### **FACILITIES COMMITTEE REPORT:**

Marc lebeau provided an update on the contracted effort by Davido Consulting Group - Watershed (DCG) to update our SLWA Water System Plan (WSP).

A State DOH representative has been assigned to work with us and DCG to oversee the WSP revision: Richard Rodriguez. There is a 1-hour kick-off meeting scheduled for Friday June 23, (9:30AM) at SLWA Office - followed by a Site Visit by DCG. Mr. Rodriguez may be joining the meeting virtually; DCG personnel will be in-person. Facilities Committee members will be present and interested Board members are welcomed as well.

We received our first itemized invoice from DCG-Watershed for the revision of our Water System Plan. \$8,725.50. Reminder total estimated cost of project: \$76,504.00. (The invoiced amount represents 11% of projected total)

Keith Krueger set up a shared spreadsheet to document the exchange of requested documents from DCG. Both Deana Sweet and Eric Hentila have devoted time over the last few weeks - to collecting, formatting, and transferring the documents to DCG. Karri asked Keith to keep her informed on deliverable due dates he gave to Deana.

### **NEW BUSINESS:**

Karri Chase had received a renewal notification from our insurance company (Thomas & Associates). required a validation of assets for coverage. She forwarded it to Keith Krueger (POC for Operations Manager) for assistance from the Operations Manager. We need to confirm annually we are insured appropriately. Keith was uncertain of the requirements. Leslie Magnuson reminded the Board that she has a long work history in the insurance business and could perhaps be helpful. She requested a copy of the insurance policy coverage amounts, and one was provided to her by Karri Chase. Further actions pend.

ADJOURN (9:15PM) to a Special Executive Session of the Board of Trustees to discuss Personnel Policy issues.

ADJOURNED (10:35PM) the Special Executive Session of the Board. A Regular Meeting of the Board of Trustees was resumed at that time to offer motion(s) and/or to vote on any residual issue(s) at hand.

Keith Krueger offered a Motion to authorize an hourly wage increase for an employee that was recently evaluated for performance. It would be reviewed again at the employee's next starting date anniversary. It was SECONDED by Karri Chase. A brief discussion was held. The **vote** for approval was 4 YES, 2 NO. Motion was carried.

ADJOURNED (10:35PM) The Regular Meeting.

*M. Lebeau* 7/18/23

Submitted by: Marc Lebeau, Secretary-Treasurer

*B. Holen* 7/18/23

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