

Meeting minutes:



November Board Meeting	
11/28/23	6:30PM
W Lake Goodwin Rd	
Meeting called by	7 Lakes Water Association Board
Type of meeting	Monthly Board Meeting
Facilitator	Keith Krueger, President
Note taker	Kristy de Vera, Secretary
Attendees	Keith Krueger, President Leslie Magnuson, Vice President Laura Leuze, Treasurer Kristy de Vera, Secretary Eric Starup, Trustee Mike Haney, Trustee Bruce Holen, Trustee Marc Lebeau, Legal POC Charlie Cox, Volunteer Gary Gallagher, Association Member Deana Sweet, Office Manager Eric Hentila, Operations Manager
Call to Order 6:30 p.m.	
Presenter	Keith Krueger
Discussion	<p>Keith Krueger reported that three elected trustees (Krueger, Starup, Magnuson) met with a group of members that expressed interest in volunteering for the Board of Trustees on November 11, 2023. The group included members Laura Leuze, Kristy de Vera, Mike Haney, Charlie Cox, Ken Miller and Judy Hinderlie. Discussion regarding potential roles as trustee ensued. Following the meeting, Krueger, Starup, Magnuson & Holen unanimously agreed to appoint Laura Leuze, Kristy de Vera & Mike Haney to the Board of Trustees. The three members all accepted their appointments.</p> <p>The seven trustees conducted an electronic vote resulting in the selection of officers as outlined in the Attendee section above.</p> <p>There was a motion to approve the previous meeting minutes from the October 17, 2023 general meeting.</p> <p><i>Leslie motioned to approve, Mike seconded and the motion was passed.</i></p> <p>There was discussion on approving the minutes from the annual member meeting, which was held on November 4, 2023. After a review of the By-laws it was agreed it was acceptable and preferred.</p> <p>Bruce motioned to approve, Leslie seconded and the motion was passed.</p>
Operations Manager Report	

Meeting minutes:



Presenter	Eric Hentila
Discussion	See attached report.

Discussion Items: Mike brought up that there should be tracking for hookup requests.

- Meter upgrade project 72% project completion
- 1 emergency call out after hours
- \$7,500 parts and contract, successfully and fully completed fire hydrant replacement
- 4 injection pumps rebuilt

Office Manager Report

Presenter	Deana Sweet
Discussion	See attached report.

Discussion Items:

- Deana requests that we have the CPA escalate our account needs.
- Board members to supply current email address OM@7lakeswater.com email names and phone numbers, addresses, positions. Then we will receive an email with the new password and go to Outlook to login and change the password. Also members need to download Work and School version of Microsoft Teams.

- CUSI billing software implementation and training will take place in December
- Members paying through their bank accounts will need to update payee information if they choose to take advantage of the ACH option
- People who pay through the website will have to create new online accounts via the website
- They can phone in and pay to a 1-800 number, or they can set up a card with Deana over the phone and put on autopay
- Paying less per year annually for the software and the company pays for the credit card fees
- Switch to Key Bank has happened

ACTION ITEM: Need to understand who is already delinquent vs. the people who end up going delinquent due to the change in software (Leslie)

Treasurer's Report

Presenter	Leslie Magnuson
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Discussion Items:

- Paychex

Paychex is a vendor that provides payroll services including paychecks, timesheets, and ensuring appropriate withholdings and payroll taxes are assessed and paid. They also provide HR services including a dedicated HR consultant, HR and safety compliance, performance management tools and options for employee benefits and retirement plans.

Meeting minutes:



The association's needs are prioritized as payroll services, performance management, and HR and safety compliance. We were required to perform a payroll audit earlier this year at a cost to the association. With respect to compliance issues, the board does not have the expertise in-house to effectively manage them.

ACTION ITEM: Determine if we can pull our data out of Paychex if we want to switch to a competitor (Keith and Leslie)

ACTION ITEM: Request the cost for just the payroll service from Paychex (Keith and Leslie)

- Key Bank Transition

Bills are being paid, payments are coming in, and ACH Direct accounts are being set up with Key Bank

- Signers on Bank Accounts

Signers on bank accounts currently are Bruce, Leslie and Keith

Leslie made a motion that all 4 officers become signers on the bank accounts:

President, Keith Krueger
Vice President, Leslie Magnuson
Treasurer, Laura Leuze
Secretary, Kristy de Vera

Mike seconded the motion. And it passed.

Keith made a motion to remove Bruce and Marc from the bank accounts. Eric seconded the motion and it passed.

Keith and Leslie are the administrators of the accounts.

Question from Laura: Who files the 990?

Answer: Paul Hernandez the CPA is responsible for filing the 1022 and the 990

ACTION ITEM: Check with Deana if the correct filings have occurred (Leslie)

Secretary's Report

Presenter	Kristy de Vera
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Discussion Items:

Kristy motioned to electronically approve meeting minutes. Leslie seconded. It passed unanimously.

ACTION ITEM: Look into electronic signatures for the board members (Kristy)

ACTION ITEM: Look into electronic voting for the board elections (Kristy)

Note: Will start the next meeting by confirming the electronic votes

Meeting minutes:



Lawsuit

Presenter	Marc Lebeau
Discussion	See attached report.

Discussion Items:

- Marc is the Point of Contact (POC)
- Keith signed a letter to the lawyers maintaining Marc as a volunteer so that he can continue to be the POC
- *Kristy motioned to continue to keep Marc as the POC for the lawsuit and Bruce seconded, and the motion passed unanimously*
- Former Bookkeeper was Brandi Bodger for 5 years and she filed a complaint
- The Non-Profit Insurance Program deductible of \$1000 was paid Nov. 14, 2023
- Some next steps are investigating if the plaintiff is receiving government funds
- Our lawyer is going to submit a motion to dismiss, and to drop the claim against the individual board members and the majority of the accusations which are protected free speech
- Marc suggested that the association file a counterclaim, claiming our insurance deductible, Deana and Marc's time, legal fees, etc.
- Charlie suggested verifying with the lawyers if there is good precedence to pursuing a counterclaim and also if it could give the association some negotiating power
- Marc to get his own email address with the association

ACTION ITEM: Need to email Deana to get Marc his own email address (Leslie)

Other Items of Business

Presenter	Keith Krueger
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Discussion Items:

- POC for Employees:
Leslie Magnuson for Deana Sweet – Office Manager
Keith Krueger for Eric Hentila – Operations Manager
- Member Terms (see attached). Discussion ensued regarding terms and resetting the association by-laws with respect to duration. Keith was elected to a 3 year term in 2022. All other positions were filled based on Trustee expected availability.

Meeting minutes:



Name	Term	Start Date	End Date
Leslie Magnuson	3	Nov-23	Nov-26
Mike Haney	3	Nov-23	Nov-26
Keith Krueger	2	Nov-22	Nov-24
Eric Starup	2	Nov-23	Nov-25
Bruce Holen	1	Nov-22	Nov-24
Laura Leuze	1	Nov-23	Nov-24
Kristy de Vera	1	Nov-23	Nov-24

ACTION ITEM: Follow up with Deana on notifying the board when a member is subject to shut off, prior to the shut off notice going out (Leslie)

- Employee Handbook

Leslie pointed out that the employee handbook (holidays and PTO) were implemented into the payroll system. The handbook needs to be voted on but not everyone has read it yet so we can not vote on it yet. PTO and holiday sections still needs to be decided after another meeting with the employees.

ACTION ITEM: Distribute the employee handbook to the board members (Leslie)

- Committees:

Keith proposed that we have 4 Committees:

- Finance Committee
- Personnel Committee
- Facilities Committee
- Communications Committee

POCs of each Committee have an *:

Finance Committee	Personnel Committee	Communications Committee	Facilities Committee
Leslie*	Laura	Keith*	Bruce
Laura	Leslie*	Kristy	Eric
Eric	Keith	Charlie	Keith*
Kristy	Charlie		Mike
	Mike		Charlie

ACTION ITEM: Talk to Deana about implementing an office sign in sheet or call tracking to get an idea of the volume she is handling (Kristy)

ACTION ITEM: Work with Eric (facilities) to get a project list (Keith)

Marc responded to Laura that the water plan contains the majority of the large-scale projects for budgeting and planning

Meeting minutes:



Marc also pointed out that the communications Deana sends out to the members regarding the bill pay software switch over should be approved by the Communications Committee.

ACTION ITEM: Work with Deana on communications to members regarding the new bill pay system (Leslie)

9:13pm meeting adjourned

Submitted by: Kristy DeVera, Secretary

Kristy DeVera

Approved by: Keith Krueger, President

Keith Krueger

Seven Lakes Water Association
OPS MANAGERS REPORT:

For 28 November 2023

Meter Upgrade Project	This Month	Last Month
New Radio-Read Meters Installed	52	93
Total Radio-Read Meters Installed	1599	1547
Project Completion	72%	70%

Other State/Federal Mandated Water Testing:

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

State DOH System Reporting:

- Distribution System Residuals – Reports submitted for October.

Utility Locate Requests	This Month	Last Month
Emergency Locate Requests (Requires O/T)	1	0
Routine Locate Requests (Does NOT require O/T)	27	25

Fire hydrant Maintenance - Annual:

The Association has approximately 278 Fire Hydrants located throughout the distribution system. The goal of this annual maintenance is to ensure their functionality and to document water pressures. This maintenance project was started in August and was completed this month.

Hydrant Maintenance	This Month	Last Month
Number of Fire Hydrants Exercised	93	36
Project Completion	100%	75%

Fire Hydrant Replacement:

On October 23rd, we contracted with an excavation company (We Do Dirt) to assist us with the replacement of a damaged fire hydrant located on Fire Trail Road just west of 5th. This was a long outstanding project that was delayed due to parts/equipment shortages.

Water Service Connections:

2 current members located on Freestad Road requested to have their water services installed. On Nov 1, we contracted with an excavation company (PLE) to assist us with the excavation and road bore for both connections.

Sodium Hypochlorite (Chlorine) Pump Maintenance:

Every year we contract with TMG Services to rebuild our 4 injection pumps located at our well sites. This service was performed on Nov 9.



Office Manager Report
Nov 28th Monthly meeting

1. Outstanding AR as of 11/21/2023 (current invoice balances not included)

Outstanding Accounts Receivables Aging					
Billing Cycle	30 – 60	60-90	90-120	120+	Phase Amount
Phase One	32 (late fees)	49	0	14	\$ 4,919.67
Phase Two	101	19 (late fees)	17	1	\$ 17,635.83
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.

1 member was sent a certified letter regarding Shut off.

6 members are on payment plans5 to clear up old balances and 1 for a recent high bill.

2. Billing software switch over to CUSI.

- We have completed ½ of our training on the new program. The remaining training will begin after we start using the new program.
- The new program will be up and running after the Nov billing is done at the end of the month.
- We will need to add an insert to the bills for the next 2 cycles letting the members know they will need to:
 - update their bank pay information so their payments will be electronically sent to our bank vs paper checks,
 - Also, anyone using our website for payments will need to create a new account and set up auto pay again.
 - This notice will be sent via email to all current auto-pay members and to anyone we have emails for as well as be posted to the website.
 - The notice will also ask for updated phone numbers/emails for all members as the new program will do text/email notification regarding upcoming bills due, late notice and emergency information to name a few.

3. Miscellaneous items

- The switch to Key bank is complete and is going smoothly at this point.
- Once the 2021/2022 Audit is finished we will start the process for the 2022/2023 Audit.

Thanks,

Deana Sweet
Office Manager

Bodger v. Seven Lakes Water Assn., Inc et al.

POC Litigation Update

28 November 2023



The following is an update, specifically designed to brief the current Seven Lakes Water Association (SLWA) on the issue of the lawsuit filed by a former employee. For transparency, the reporter is NOT an attorney, and is only acting in a capacity as a Volunteer Point of Contact (POC) – liaising between the assigned Counsel and the Board of Trustees. Any note attributed to ATTY Comment has been made by Ms. Kaylynn What, unless otherwise noted. The notes herein are not subject to client-attorney privilege and are considered appropriate for sharing in any appropriate forum designated by the Board of Trustees for release to the Association Members.

Background:

On 18 September, 2023 the Seven Lakes Water Association (SLWA) was served with a summons to respond to a civil suit brought by our former Bookkeeper, Ms. Brandi Bodger. It was filed in the Superior Court of the State of Washington, Snohomish County. (Case # 23-2-06542-31)

In addition to SLWA, there were 8 Co-defendants named: Former Board of Trustee members (Bruce Black, Kim Gudgel, Keith Leonard, Craig Thompson, Ron Crow, and Adam Bursell), one former employee (Paul Lucas), and one Association member (Ron Erue). Mr. Erue is not covered by the existing SLWA Liability Insurance policy.

The claim includes 9 accusations involving wrongful workplace activity: (See Procedural Posture, Pg3)

Wrongful Termination – in violation of public policy

Negligent Infliction of Emotional Distress

Discrimination of a Protected Class

Outrage – Public Statements

Hostile Work Environment

Constructive Discharge

Negligent Supervision

Defamation

False Light

Ms. Bodger was employed at SLWA as a bookkeeper between 04 October, 2017 and 17 June, 2022 when she was terminated for the unilateral abandonment of her job. Several actions inconsistent with Generally-Accepted Accounting Practices (GAAP) were cited in a letter of Termination signed by the Board of Trustees, Vice-President, Mr. Craig Thompson, dated 16 June, 2022. (Board President, Mr. Kim Gudgel had recused himself from Board actions relative to Ms. Bodger.)

On 19 June, 2022 Ms. Bodger filed a claim with the Washington State, Employment Security Department for unemployment benefits. (See “WA State Employment Security Dept Policy” comments – Below)

Legal Position of Seven Lakes Water Association:

SLWA maintains insurance that includes, with some limitations, litigation defense that should cover most costs and includes certain awards and damages that may arise. The policy requires a deductible of \$1,000 which was paid on 14 November, 2023. The Association’s Insurance carrier, Non-Profit Insurance Program (NPIP) assigned claims administrator, Clear Risk Solutions to the case: The adjuster is Mr. Kumau McWilliams.

At the 19 September, 2023 regular meeting of the SLWA Board, a motion was carried to have Board Secretary, Marc Lebeau assigned as the principle POC for the Association. On 26 September, the adjuster assigned our defense to the Bellingham law firm of Simmons Sweeney Freimund Smith Tardiff, PLLC. (SSS Law Group) Senior partner, Mr. Bret Simmons will be the lead attorney, with assistance from Ms. Kaylynn What and paralegal Ms. Jessie English.

The law firm of Simmons-Sweeney-Freimund-Smith-Tardiff, PLLC has reviewed all applicable document concerning the employment and termination of Ms. Bodger. Ms. Kaylynn What has conducted personal phone interviews with our former employee and all former Board members (Defendants).

On 13 November, 2023 Newly-elected Board of Trustee President Kieth Krueger signed a Letter of Designation to have Marc Lebeau act in capacity as a "Volunteer" to remain as the SLWA POC for purposes of the Lawsuit. As of the date of this report, the following information applies:

- Documents were provided by SLWA to the attorneys. They included Policy documents, Annual Audits, Employee Personnel files, By-laws, Articles of Incorporation, Employee e-mails, letters and investigations from Attorney Mitch Cogdill, Letters from and to the Board, L&I Claim Letters, payroll information, Internal financial statements, etc.
- SLWA was charged \$585 by Mitch Cogdill for engaging with him over the notification of our lawsuit and for a letter outlining that we were at liberty to engage outside counsel for this claim.
- Attorneys have access to the public-domain Meeting Minutes that are posted on our website.

Noteworthy Points of Law applicable to SLWA:

RCW 4.24.264. Provides that non-profit board members are entitled to immunity, which states (in general terms): "a member of the board of directors or an officer of any non-profit corporation is not individually liable for any discretionary decision or failure to make a discretionary decision within his or her official capacity as director or officer, unless the decision or failure to decide constitutes gross negligence. ATTY Comment: Evidence of even slight care will usually defeat a claim of gross negligence.

RCW 4.24.670 . Provides that volunteers of a non-profit have immunity from their actions taken in the scope of their responsibilities. ATTY Comment: Pursuant to the Doctrine of Vicarious Liability, the Association will be held liable for any Board members' tortious acts. There is no need to name them individually as defendants in [this] a lawsuit.

RCW 4.105. ("Uniform Public Expression Protection Act" – UPEPA). Provides Free Speech protection against public statements which address a matter of public concern, and by extension, for the members of the SLWA.

RCW 4.84.185 and Civil Rule 11. Provides that the Court may award actual, reasonable attorney fees and expenses incurred in defending against frivolous actions.

WA State Employment Security Dept Policy: If you discharged the claimant for gross misconduct: If the behavior [that predicated discharge] was connected with work, the claimant will lose wages credits based on employment [with you] and you will be relieved of benefit charges. "Gross misconduct" means the claimant: (1) Was convicted of a criminal act or admitted to an authority figure that he or she committed a criminal act; or (2) Committed a flagrant act that shows substantial disregard of the rights or interests of the employer or co-workers. The employer is required to provide information on the

claimant to the WA State Employment Security Dept. On 03 October, 2022 SLWA submitted a rebuttal to Ms. Bodger's claim, citing the Letter of Termination to explain the nature of the reasons for termination. An inquiry is being made to determine the extent of the benefits availed to the recipient.

Procedural Posture:

A request to have opposing counsel consolidate individually-named defendants under the single umbrella of the Association was denied. A Motion to Dismiss will be filed on November 29, 2023, seeking to dismiss (1) individual defendants, (2) claims brought pursuant the Washington Law Against Discrimination, claims of (3) false light, (4) defamation, and (5) negligent infliction of emotional distress. Marc Lebeau signed a Declaration to be submitted to the Court, attesting to authenticity of the 19 Exhibits that represented Official Meeting Minutes from 21 July, 2021 to 15 November, 2023. Mr. Adam Bursell likewise provided a declaration to support the Motion to Dismiss. Due to the holidays, the Motion will be scheduled for hearing in mid-January.

Litigation Defense Effort by SLWA (to date):

SLWA Office Manager, Ms. Deana Sweet has expended 7.0 (SLWA Paid) hours researching and producing documents for use by the attorneys. Marc Lebeau has expended 36.0 hours producing documents and providing statements and correspondence, including reports and updates. SLWA has spent \$1,585 toward this effort.

If Board Members have questions or concerns, please contact me at Secretary@7lakeswater.com or Captainmpl@Outlook.com. You may also call or text me at (443) 852-1344.

Kind Regards,



Marc Lebeau - Litigation POC Volunteer, SLWA Board of Trustees

Approval to share with Defendants named in Lawsuit (via e-mail):



Keith Krueger 11/28/23
SLWA Board of Trustees, President