

SEVEN LAKES WATER ASSOCIATION, INC.  
Board Meeting Minutes – 19 September, 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, Bryan Gregory, Leslie Magnuson

GUESTS/Members: (3) Adam Bursell, Ron Erue, Sherri Klotz. Laurel Masterson and William Cozart (Key Bank representatives) joined meeting at 6:45PM for presentation.

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

**ABSENT:** N/A

**ANNOUNCEMENT:**

Bruce Holen announced that Eric Hentila had passed his certification testing for Water Operator, Level II, and offered congratulations!

**MINUTES:**

The minutes for the August 15, 2023 meeting were reviewed and a **Motion** to approve was submitted by Leslie Magnuson, it was **SECONDED** by Keith Krueger. The **vote** was unanimous for approval and the Motion was carried. The Secretary and the Vice-President signed a copy for the official record.

**OPERATIONS MANAGERS REPORT:**

Eric Hentila provided the Board a written report and it is attached to these Meeting Minutes. It was reviewed during the meeting and any questions from Board members were answered to their full satisfaction. He added that the report on the rebuild of the system's Pressure Regulating Valves (PRV's) was completed and his report included all NINE (09) stations (which included the Well #9 PRV).

**OFFICE MANAGERS REPORT:**

Deana Sweet provided the Board a written report and it is attached to these Meeting Minutes. It was reviewed during the meeting and any questions from Board members were answered to their full satisfaction. She added that one member had signed a new payment plan and was making payments. (Satisfied an Action Item from 07/18/23)

Deana Sweet mentioned that a new computer tower for Eric Hentila had been acquired and set up to accommodate the new web-hosted Accounts Receivable (A/R) Program (CUSI). She also mentioned that there would be a 4-hour training module that both her and Eric would need to complete on-line. It was agreeable to the Board that the Office would be temporarily closed for that duration and every effort would be made to provide advance notice to our members.

Deana Sweet asked about the approval of the Journal Entries (JE's) that were proposed by our Auditor, Paul Hernandez. She mentioned that last year, the Treasurer and the

Secretary signed off on those and suggested that would be suitable again for this year. The Board was in agreement on that proposal. Leslie has already signed off on them.

**Action Item:** (Marc Lebeau) Review the JE's and provide approval as appropriate.

The OPS Mgr and the Office Mgr voluntarily departed after making presentations.

### **RESOLUTION:**

Keith Krueger presented to the Board the revised written policies for Late Fees and Delinquent Accounts Policy that had been worked on over the last several weeks through internal Board e-mails. All corrections and edits that were suggested had been implemented. They were placed under cover of a Board Resolution (#01-2023). He offered the **Motion** to accept and approve the Resolution. It was **SECONDED** by Bruce Holen. Discussion followed. The **vote** was unanimous for approval and the Motion was carried. All Board Members signed the Resolution.

### **PRESENTATION BY KEY BANK:**

Ms. Laurel Masterson and Mr. William Cozart, representing one of our partner Banks (Key Bank) made a presentation on a type of "Sweeps Account" that they offered along with a few additional services they were offering. Treasurer, Leslie Magnuson, Marc Lebeau and Deana Sweet had met separately with them to gather initial information and provide data from our current accounts to allow an analysis. After a short presentation, Ms. Masterson and Mr. Cozart departed after answering questions from Board Members.

Leslie Magnuson offered a **Motion** that would allow her to proceed with further negotiations with Key Bank on this service being offered, and to apply her discretion to making that decision without requiring further Board approval. It was **SECONDED** by Bruce Holen. Discussion followed. The **vote** was unanimous for approval and the Motion was carried.

### **SECRETARY'S REPORT:**

Marc Lebeau offered the following **Motion**:

In a decision made by the Board during the 06 May, 2023 Special Meeting, it was agreed that a bonus would be paid to the Interim Operations Manager, Eric Hentila upon his completion of the Water Operator Level II qualification. As the current SLWA Operations Manager, Mr. Hentila has completed the prescribed Certification Level on 07 September, 2023 - within the time frame stipulated in the offer. In keeping with that promise, a bonus payment should be processed; made out to Mr. Hentila at the earliest possible time. The Association agreed to cover the taxes associated with that payment. It was **SECONDED** by Bruce Holen. Discussion Followed and a vote was taken: The **vote** was unanimous for approval and the Motion was carried.

Marc Lebeau offered the following **Motion**:

During an Executive Session of a Regular Meeting, details of hiring a second METER READER/Field Technician were discussed, with amounts on par with the amounts initially offered to the last Meter Reader that was hired. A proposal is placed before the Board to authorize the Operations Manager to move forward with identifying a candidate for the position, using the process adopted recently for new hires, and subject to Board Approval: the extension of an offer. It was NOT SECONDED. Discussion followed and it was the Board's position that it had not been raised by the Operations Manager, and therefore were uncertain of its timeliness and need. Also mentioned was a statement that he was already authorized by his job description responsibilities. No further discussion.

Marc Lebeau reported that on 09/08/23, that he had witnessed the correct repayment of Deana Sweet's erroneous Holiday Pay in QB entries.

### **LAW SUIT:**

On 9/18/23 – Representatives of the Snohomish County Superior Court served notice and summons for a lawsuit being filed by Plaintiff, former SLWA Bookkeeper against the Association and 8 Co-Defendants, most of whom were either past employees or Board of Trustee members. Plaintiff alleges nine tort claims.

Marc Lebeau offered the following **Motion**:

That the Board authorize Marc Lebeau to be the point of contact for SLWA when legal counsel is obtained. It was SECONDED by Bruce Holen. Discussion Followed by a vote. The **vote** was unanimous for approval and the Motion was carried.

**Action Item:** (Leslie Magnuson) - Leslie offered to contact our Insurance Provider with notice of the action and request their guidance and advise them of the Board's POC on this issue. Discussions were needed to determine the liability of SLWA to defend former employees and former Board of Trustee members. Leslie was confident that our current policies covered such actions. Marc agreed to keep the Board apprised of any and all actions.

### **TREASURERS REPORT:**

Prior to the meeting, Leslie Magnuson provided to the Board, copies of the monthly P&L and Balance Sheets produced from QuickBooks®. She also provided a written report and it is attached to these Meeting Minutes.

Leslie reported a favorable discussion on 8 September with the Office Manager regarding important Board expectations required of her position. Marc Lebeau joined that discussion and the meeting was documented in her Personnel File.

### **RESOLUTION:**

Leslie brought up the issue that the On-Call Employee Pay Policy, that was found to be causal in the erroneous employee payments identified recently, required revision for clarity. She presented to the Board the revised written policies for On Call pay and that

had been worked on over the last several weeks through internal Board e-mails. All corrections and edits that were suggested had been implemented. They were placed under cover of a Board Resolution (#02-2023). She offered the **Motion** to accept and approve the Resolution. It was SECONDED by Bruce Holen. Discussion followed. The **vote** was unanimous for approval and the Motion was carried. All Board Members signed the Resolution.

Leslie distributed informational materials for a few of the services that Key Bank was also offering. There was Board interest in gaining more details on one or more of the services.

**Action Item:** (Leslie Magnuson) – Arrange with Key Bank to provide a subject matter expert on the services of interest and provide a short presentation to the Board at a future meeting.

In the interest of time, Leslie deferred the discussion on the Employee Handbook, and recommended a separate meeting of the Board to discuss and if appropriate, approve the changes and updates.

#### **PERSONNEL COMMITTEE REPORT:**

Bruce Holen discussed a critical need to get the word out to our members regarding foreseen Board vacancies that need to be filled. At the end of this term (December, 2023) it was anticipated that there would be only three remaining Board Members.

**Action Item:** (Bruce Holen) – Develop a recruitment communications plan to solicit volunteers from our membership.

#### **COMMUNICATIONS COMMITTEE REPORT:**

Keith Krueger reported no new updates on the Postcard Mailer.

#### **FACILITIES COMMITTEE REPORT:**

Committee Meeting held on 09/12 (at The SLWA Offices). Met with Mr. Greg Jensen to discuss the renewal of the Lease for Well #9. Mr. Jensen expressed his desires for consideration to be offered to him as the Lessor in exchange for use of his land for the well, pump and chlorination station located on the property. The Committee will develop recommendations for the Board's consideration at a future meeting.

Progress on the WSP by DCG is on-going. Contact was made with Kelly Evans last week and he reported that progress was on-par with their projections. Kelly felt as though they had all the data that they had requested.

#### **NEW BUSINESS:**

**Action Items Reporting:** Prior to the meeting a print-out of the Action Items from this calendar year was provided to Board members and be reviewed. Marc Lebeau went through the list and updated it with refreshed information from the Board. Of the 11 outstanding items, 9 were accepted by the Board as completed. 2 remain outstanding.

**Action Item:** (Marc Lebeau) Provide an updated/revised list before the next meeting.

Keith Krueger brought up the issue of applying Late Fees and Delinquent Account sanctions on members that were already behind on paying their water charges. While the new policy was enacted on 01 September, it required special handling (outside the new published policy) because at least 50+ members were already qualifying for water shut-off. It was proposed that a 60-day notice be issued in which time, if contact had not been made with the Association, service would be terminated. Marc suggested and it was agreed that we needed some additional details on the delinquent accounts before making such a decision.

**Action Item:** (Deana Sweet) – Provide to the Board, a breakdown of delinquent accounts and include details of efforts by SLWA to make contact with these Members. Provide a recommendation to the Board on addressing this issue.

**GUEST/MEMBER COMMENTS:**

Ms. Sherri Klotz offered that she has similar experience in medical billing and suggested that each account should be annotated with details regarding each effort to establish contact and notification; signed, dated, etc.

ADJOURNED (7:50PM) The Regular Meeting.

 10/17/23

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

 10/17/23

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

**Seven Lakes Water Association**  
**OPS MANAGERS REPORT:**

For 19 September 2023

<b>Meter Upgrade Project</b>	This Month	Last Month
New Radio-Read Meters Installed	73	98
Total Radio-Read Meters Installed	1454	1381
Project Completion	66%	62%

EPA PFAS Sampling:

The second phase of UCMR5 PFAS sampling was completed July 25 and sent to EPA's lab for analysis. Results are expected within 60 to 90 days from the original sample date.

Other State/Federal Mandated Water Testing:

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

State DOH System Reporting:

- Distribution System Residuals – Reports submitted for August.

<b>Utility Locate Requests</b>	This Month	Last Month
Emergency Locate Requests (Requires O/T)	0	0
Routine Locate Requests (Does NOT require O/T)	35	29

PRV Station maintenance:

This maintenance/rebuild project has been completed. Next scheduled rebuild will be in 2028. Routine inspections are done in house and are performed once every month.

<b>Hydrant Maintenance</b>	This Month	Last Month
Number of Fire Hydrants Exercised	67	52
Project Completion	58%	25%

Service Line Leak Repair:

We received an emergency call out Sunday evening September 10<sup>th</sup> in regard to water along the side of 84<sup>th</sup> Dr NW @ 192<sup>nd</sup> ST NW. On Monday, we began a leak detection survey and submitted for utility locates. A Vactor truck service was scheduled for Friday morning to assist us with the excavation. All other necessary equipment was rented in order to complete this repair in house. We had to install a new service line as the leak was inside the sleeve underneath 84<sup>th</sup> Dr. The repair took us approximately 6 hours to complete.



**Office Manager Report  
Sept 19th Monthly meeting**

**1. Outstanding AR as of 9/15/2023 (current invoice balances not included)**

<b>Outstanding Accounts Receivables Aging</b>					
Billing Cycle	30 – 60	60-90	90-120	120+	Phase Amount
Phase One	0	68	23	20	\$ 8,634.66
Phase Two	117	0	24	5	\$ 17,971.00
Phase Three	0	1	0	0	\$ 192.50

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

**2. Billing software switch over to CUSI.**

- We are working to get all data to CUSI for the implementation process.
- We have been in the review of data transferred stage and it is going well.
- We will be doing our training in October for this program.

**3. Miscellaneous items**

- The Audit for 2021/2022 is almost complete.
- Once the 2021/2022 Audit is finished we will start the process for the 2022/2023 Audit.
- Late fees, Delinquent fees and shut offs have been reinstated as of the 1<sup>st</sup> of September 2023.

Thanks,

Deana Sweet  
Office Manager

# **Treasurer's Report**

## **7 Lakes Water Association**

### **Board Meeting**

#### **September 19, 2023**

#### **Financials**

Balance Sheet, P&L, P&L YTD

#### **KeyBank Presentation**

Do we want to move forward with the sweeps option with KeyBank?

#### **Payroll Audit**

The summary of the payroll audit was shared with Deana and it was confirmed Deana repaid her holiday pay overpayment and her personnel file was documented. With respect to the withholdings for Eric and John, most are based on hours, not wages. Since we aren't asking them to repay their wages, we won't be adjusting their withholding.

#### **Meetings with Eric and Deana**

Marc and Leslie met with Eric and Deana to discuss performance and opportunities for improvement. The meetings went well and provided a baseline for future discussions on performance issues.

#### **Exempt (Salaried) vs Non-exempt**

Deana is a salaried employee and it appears we're treating her as exempt. This means she is not subject to the State Minimum Wage Act (minimum wage, overtime pay, paid sick leave). We can be flexible with her hours, but they must be pre-approved and she must obtain permission to leave early or take time off.

#### **Employee Handbook**

Review and finalize

#### **Paychex**

Payroll processing and HR services options. Representative can be available for a future board meeting.

(From Prior Meeting)

#### **Insurance**

Need to schedule a review at a future board meeting

#### **IT Administration**

We need to come up with a policy for network security and access to user credentials.