

Sun Vista – Sunlight Beach HOA/Water Association

Meeting Minutes, February 10th, 2024, Bayview Hall

- **Board Attendees** – Rick Townsley, Bob Winqvist, Norm Ledbetter, Ed Sheets, Tim Hillman, Karen Johnson, Nathan Ware
- **Guests** – Paul Reinken, Jack Wilcox, Gary Kohlwes, John Lovie
- **Ed – Feasibility Report Status**
 - a. Task 1 addressed the condition of the existing systems and the costs to maintain them.
 - i. We held a webinar presentation on the Task 1 Report by the engineering firm on December 11th—about 40 members from both systems participated. The report and presentation are on the SV-SLB.com website.
 - b. The executive summary from Task 1 is on the website. Ed highlighted several of the findings:
 1. The system currently supplies water that meets DOH water quality standards. However, there is a risk of contamination from nitrates/microbials from anticipated development of septic systems on property upslope of the existing SV-SLB HOA water supply wells. There is also risk of contamination from sea water intrusion due to surface flooding during high tide events.
 2. These risks are sufficiently credible to recommend that affirmative actions be taken to protect the SV-SLB HOA water supply in the future. A prudent alternative will be to pursue construction of wells at a new location that is upslope of these potential contamination risks.
 3. It is recommended that new wells be considered in an area with reduced contamination risks. The existing wells could continue to be used to provide water in peak demand periods and to mix with water from a new well to reduce water contamination levels.
 - c. The Task 2 report will analyze new wells for each water system operating separately.
 - i. Expected in 4 to 6 weeks.
 - d. The Task 3 report will analyze new wells for a consolidated water system. Expected in May.
 - e. The goal is to have a final report and presentation from the engineering firm for this summer’s annual meeting.
 1. Analysis of programs that could provide loans or grants.
 2. The joint planning team is preparing information. The team would incorporate this information in the economic analysis.
 - f. The Board discussed issues that would need to be addressed to provide our members with information on the consolidation option, including governance, financial, and operational issues and a process for making consolidation decisions.
 - g. The Board discussed next steps:
 1. We discussed holding an additional webinar in June/July if we deem that an advantageous step to prepare for presenting the data to the members at the annual meeting.

2. Bob noted that we might have to acquire a different attorney for some of the work on the consolidation issues because the other water system has the same attorney as us and he can't represent both systems in a negotiation.

3. A motion was passed to spend up to \$1000 on a webinar in June/July after task 3.

- Financial Statements on the website– Karen recommended that they should be available for a limited period of time, maybe a few months before the annual meeting and a couple of months after the annual meeting
- Norm said only 3 years of financial info is necessary on the website
- Ed mentioned that it's nice to have multiple budgets on the website so that people can compare the current budget to former budgets.
- Karen gave the treasurer's report:

- a. Receivables are a little behind to an email software problem but things are getting straightened out and we should be back on track soon.

Treasurer's Report – February 2024 Board meeting

Financial Highlights: Year-end financials are in process. 12/31/23 results are not yet final.

- This report will cover Cash and Accounts Receivable in detail. Accounts Payable are minimal and current at 12/31/23 and at end of January 2024.

Cash: In round figures

Two Banks	USNB	Whidbey – Heritage Bank	TOTAL
	\$181,900	\$235,520	\$417,392
Temporarily Restricted			\$ 77,792
Filtration Upgrade Funds			\$105,200
Operating checking account			\$ 51,900
Savings – Board designated for emergencies			\$182,500
Savings – operating cushion			
			TOTAL \$417,392

Accounts Receivable

- Accounts Receivable are unusually high at 12/31/2023 due to billing issues in Q3 2023. \$3,500
 - Billing difficulties for Q3 2023 invoices
 - NW Natural installed new email software in Q3 2023. It did not integrate with billing software – resulting in members with electronic billing failing to receive Q3 invoices in October. Problem not clearly identified until November; resolved in December
 - Invoices sent successfully in January 2024 for Q4 2023
 - Accounts Receivable

Many members did not receive complete invoices until early December and then invoice was in hard copy. This coupled with Q3 being the highest water usage quarter, has resulted in high AR at December 31, 2023.

Result – we are working to bring accounts current, meanwhile, forgoing penalties for late payment until after February 2024 due date for the timely January 2024 invoices.

Revenues and Expenses – largely on budgeted plan

Repairs – planned and unscheduled = slightly higher than plan (est. \$2,000 over budget)

- Norm talked about the upcoming budget creation and audit process schedule. Everything is on track.

- Karen, Ed, and Norm volunteered to pursue assistance from an organization that does reserve studies for small water systems and report back to the Board.
- Karen requested Board comments on a communication to members about how to address water leaks.
- Tim mentioned that we have no major system maintenance issues at the moment. Routine maintenance is ongoing. He has three bids on a new generator, but is waiting to see the results of the feasibility study.
- Ed mentioned that it would be good to have the Conserve water signs put up during Fourth of July weekend.
- Bob suggested Saturday, August 10th for the annual meeting. Preferred location is the Useless Bay Golf Club.
- Nathan is reaching out to UBG&CC to see if the banquet room is available.
- Bob talked through the nomination process for new board members. A Zoom meeting may need to be held in the near future to nominate replacements for outgoing board members.
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