

Minutes of October 14, 2023, 8:30 am – 11:18 am

Meeting Location: Online by Zoom for Committee & Community Members

Call to Order: Meeting called to order by Chairman Kelly Evans.

Members Attending: Chairman Kelly Evans, Secretary Anne Moen, Treasurer Sue Hearron, Don Bird, Dan Cossano and Wally Montz (excused).

Board Members: John Ingemi, Dean Dyson and Pat Paradis

Employees Attending: Water System Manager Chris McMullen, and CAM- Roger Milliman

Guests: Dan Bussler 05/092

APPROVAL OF MINUTES –[SPETEMBER 2023](#):

*A motion was made by Sue Hearron to approve September 2023 meeting minutes. Seconded by Anne Moen, carried with no nays.

COMMENTS FROM THE CHAIR:

- Thank you all for your hard work, the budget was passed!
- Semiannual meeting is October 21 and members are encouraged to attend.
- Great job Sue and Esther for the extremely hard work you have done in the absence of a paid staff member to put treasury reports together.

BRIEF CAM REPORT

Water CAM report 10-14-2023

Navy Trestle Agreement:

LLCC received a signed Navy agreement stating that the Navy is paying for the temporary and permanent waterline. The agreement needs to be signed by LLCC by November 1. The agreement has 10 conditions including LLCC applying for an easement.

Roger is recommending LLCC approve the agreement with the stipulation of challenging the easement requirement.

LLCC's attorney will be delivering the signed agreement challenging the easement. It will be determined whether Mason County owned the land after a 1902 tax foreclosure. There is a 1967 perpetual easement between the Navy and Mason County stating the Navy owns the property. If it is determined that the Navy owns, then an easement will be required.

The agreement was sent to the Board and will be discussed at Monday's Executive meeting.

Waterline Easements:

Chris recently determined there are 4 water distribution lines potentially without easements on private properties. Potentially 8 properties are impacted.

Division 1 Lots 185 & 186

Division 2 Lots 291 & 292

Division 2 Lots 193 & 194

Division 2 Lots 197 & 198

Roger has been reviewing with the Executives on Monday recommending LLCC hire a land surveyor to determine if County easement records have been filed. If not, LLCC may need to have the waterlines surveyed and easements established with property owners. Pat Paradise commented that all LLCC properties have 5-foot easements between each that would negate the need to create easements.

COMMENTS / QUESTIONS FROM GUESTS

N/A

FINANCIAL REPORT: SUE HEARRON

Water Financials Update:

- Revenue has not been booked into QuickBooks since May 2023. Shauna was responsible for that task and office staff was not cross-trained in that task prior to her departure.
- Transfers from the Water Account to reimburse HOA for shared expenses have not been done since April 2023. Rhonda located the instructional manual left by Shauna on 10/12/23. Sue and Rhonda will utilize the manual to work on reconciling the water account and prepare the necessary documents to support the request for transfer of funds to HOA.
- Ron who previously worked for LL has been working part time in the in the office in the afternoons to help the office staff. Due to office staff having Covid, Ron was out of the office for approx. 10 days and now is having surgery and his return is TBD. Ron designed many of the custom reports that Shuana utilized to provide the financial reports to the Water Committee.
- Unfortunately, due to other critical and time sensitive reporting, Ron was unable to get the water revenue posted into QuickBooks prior to his surgery. Without Revenue posted we are unable to generate the Budget to Actual Report provided to the Water Committee on a monthly basis.
- Expenses have been posted to QuickBooks.
- FDIC insures our bank accounts up to \$250K. As of the end of August 2023 we had a balance in our Heritage bank checking account of \$469K. At Esther's recommendation \$250K was dispersed from our Heritage Bank Account in September and deposited into our Edward Jones Savings Account for investment in CD's.
- The FDIC only insures to \$250K. As our bank accounts grow and we approach the FDIC limit for insurability on these accounts we need to look into additional savings account options. Edward Jones has a savings account option that has easy liquidity without penalty, check writing availability, averages about 1.7% per month, is insured by the FDIC and does not have a dollar limit on the amount insured by the FDIC.

Financial Advisory Team:

- Discussion about hiring a temp to help office staff with backlog of work. Roger had reached out to a temp agency. The hourly rate was approx. \$40 with a minimum of 720 hours. We are looking to negotiate a term of lesser hours.
- Esther is working with the HR Consultants to update the Job Description for Bookkeeper/Staff Accountant position and help with finding potential candidates.
- Other possible temp options were discussed.
- Esther, Sue & Greg Hearn have been helping in the office with counting the cash from Proshop/Café & Restaurant and preparing the deposits.
- Esther and Sue are limited in the help they can provide due to conflict of interest being treasurers.
- The 2022 Audit has begun. A list of additional documents received from the CPA was reviewed by the team and advice on providing those documents was provided by Kyle and Rich of the Financial Team.

* Motion to approve the financial report as presented with limited data made by Don Bird.
Seconded by Anne Moen, carried with no nays.

WATER SYSTEM MANAGER'S REPORT: CHRIS MCMULLEN

1) **Managers' Report & Consumption Spreadsheet** – See attached *September's spreadsheet and Managers Monthly Report*.

- Operational well sites are working well.
- The consumption report is still not accurate. It is reading a higher water loss than what it is believed to be. Chris is working to get accurate readings for the report.
- Monthly water samples came back satisfactory. Chris has taken DOH required lead and copper testing, results are not back yet.

2) **Project Status:**

- **Water Quality Testing Stations** – One is installed parts and pieces have arrived to complete the other sampling stations.
- **Well #2 Repair** – Chris has flushed approx. 100,000 gallons through in preparation for sampling and getting the well into service.
- **Fire Hydrants** –
 - Waiting for well #2 to be put into service first.
 - The fire department will not use more than two hydrants at a time, common procedure when fighting a fire.
 - Chris is working on a hydrant testing plan.
- **Well Output Testing Contract** - Chris continues to work with a contractor and receive scope of work. If the proposal seems satisfactory to Chris and it moves forward the contractor would like to start testing this winter.
- **SCADA #2 Upgrades** – Parts and pieces in the shop. Chris will be rewriting the PAR to include the rest of the pump stations. Combining the SCADA upgrades with updated source meters will help make the system work more efficiently.

3) **Maintenance Status:**

- **Meter Maintenance** – A few gasket leaks and Chris is working with homeowners on the repairs.

FORGIVENESS

Two forgiveness requests were submitted to the committee.

*Motion made by Don Bird to approve the forgiveness request of \$2,547.00 by Jim Loop at 360 E Saint Andrews for a leak that has been repaired and verified by the water department.

Seconded by Anne Moen and carried with no nays.

*Motion made by Don Bird to deny the forgiveness request of \$195.00 by Jacob and Marjorie Miller at 651 E Ballantrae because it was not an undetected significant leak. Seconded by Anne Moen and carried with no nays.

UNFINISHED BUSINESS:

1) **Water System Plan** –

- Don needs to make edits to the appendices and get current water reports together to continue forward progress in submitting the plan to DOH.
- Kelly and Don will gather NWS contracts and review monies paid so far to have a better understanding of what has been paid.

2) **Tractor PAR**- Chris will re-write the PAR for the machine that can be best utilized by the Water Department. He intends to have it turned in by Monday the 16th of October.

3) **2023 - 2024 Budget** – The budget passed – Yay: 271 No:197

4) **Action Item Tracker** – Chris will have an audit protocol draft by January 2, 2024

5) **Elevated Storage** – An RFP will need to be sent out for a feasibility study.

NEW BUSINESS

1) **Well #1 Production Issues** – Well #1 is slow to fill. Chris believes that when the contractor performs the well output test, they will discover why (possibly clogged filters, etc.).

2) **2024 -2025 Budget**- Committee will discuss the idea of producing a bi-annual budget vs annual.

TOPICS FOR NEXT MEETING

N/A

ANNOUNCEMENTS

Next meeting: November 11, 2023, 8:30am

Location: Zoom for committee members and guests.

Events: BOD Meeting – October 21st 9:00 am

HOA Semi – Annual Meeting – Saturday, October 21 1:00pm – Great Hall

*Motion made by Anne Moen to move into a closed session. Seconded by Dan Cossano, carried with no nays.

Closed Session to discuss personnel and / or legal issues: No motions were made.

*Motion made by Anne Moen to return to open session. Second by Don Bird, carried with no nays.

Adjourn:

*Motion made by Don Bird to adjourn the meeting. Seconded by Anne Moen, carried with no nays.

Motions for the Board

*Motion made by Don Bird to approve the forgiveness request of \$2,547.00 by Jim Loop at 360 E Saint Andrews for a leak that has been repaired and verified by the water department. Seconded by Anne Moen and carried with no nays.

*Motion made by Don Bird to deny the forgiveness request of \$195.00 by Jacob and Marjorie Miller at 651 E Ballantrae because it was not an undetected significant leak. Seconded by Anne Moen and carried with no nays.



Manager's Report September 2023

The condition of the water system is good, with reliable water availability to the customers.

All Well sites are up and running appropriately.

SCADA is regularly monitored and operated throughout the 24 hour period.

Well Conditions:

- ✚ Well #1 is operating “normally.”
- ✚ Well #2 is operational but not tied into the system
- ✚ Wells #3A/3B are operating “normally”
- ✚ Well #4 is operating “normally.”
- ✚ Well #5 is operating “normally.”
- ✚ Well #6 is operating “normally.”

LLWS had 18 locates and 0 Emergency locate.

Well Site 2- Operational but not tied into the system, continuing to disinfect and flush.

Monthly coliform samples came back satisfactory.

Water main easements.

WATER CONSUMPTION REPORT - 2023

WATER VOLUME ENTERING DISTRIBUTION SYSTEM

1 A. Total Volume Produced	Jan.-23	Feb.-23	Mar.-23	Apr.-23	May-23	June-23	July-23	Aug.-23	Sept.-23	Oct.-23	Nov.-23	Dec.-23	Totals
Total Volume Produced Well #1	0	0	0	0	17,100	554,300	409,400	514,800	54,900				1,550,500
Total Volume Produced Well #2	0	0	0	0	0	0	0	0	100,800	0	0	0	100,800
Total Volume Produced Well #3a	355,300	0	0	0	423,500	1,557,400	2,180,500	1,775,000	984,800				7,276,500
Total Volume Produced Well #3b	469,100	0	0	0	569,700	2,142,800	3,256,300	2,492,500	1,380,900				10,311,300
Total Volume Produced Well #4	1,809,867	2,167,630	2,522,120	2,224,227	3,105,231	2,717,424	2,953,540	2,657,862	2,235,119				22,393,020
Total Volume Produced Well #5	0	0	0	0	0	0	6,200	0	0				6,200
Total Volume Produced Well #6	1,998,300	1,784,900	1,877,300	1,784,600	3,271,900	619,800	841,000	1,439,200	1,534,700				15,151,700
1 B. Total Volume Purchased	n/a	n/a	n/a	n/a	n/a								
1. Total Water Produced All Sources:	4,632,567	3,952,530	4,399,420	3,617,400	7,387,431	7,591,724	9,646,940	8,879,362	6,291,219	0	0	0	56,398,593

TOTAL VOLUME CONSUMED

2 A. Water Volume Metered (Billed and Unbilled)	3,660,372	2,939,687	3,438,316	3,095,991	5,838,812	6,439,236	8,469,520	7,748,268	5,032,297				46,662,499
2 C. Estimated Authorized Uses (may be billed or Unbilled)													0
Utility Flushing and Tank Cleaning									100,800				100,800
Firefighting and Training							7,400						7,400
Tank Level Difference	16,600	-3,000	-5,400	-2,400	12,500	-33,500	19,400	24,500	21,900				50,600
Other: Well flush				16,700	16,700								33,400
Distribution storage - Allowed													
2. Total Authorized Consumption	3,676,972	2,936,687	3,432,916	3,110,291	5,868,012	6,405,736	8,496,320	7,772,768	5,154,997	0	0	0	46,854,699

Total Volume DSL	955,595	1,015,843	966,504	507,109	1,519,419	1,185,988	1,150,620	1,106,594	1,136,222	0	0	0	9,543,894
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Percent DSL	20.6%	25.7%	22.0%	14.0%	20.6%	15.6%	11.9%	12.5%	18.1%				16.9%
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Year to Date Total DSL: 16.9%

Compliance with leakage standard is 10.6%

Next years 3 year average based on 11.9%

Water Rights Data	Right (acrf/yr)		Total	Acre-feet used	%Water right used	WR allocated (AFY)	WR allocated (%)	MIFR (Qi) GPM
	AFY (Qa)	% of total						
5566-A (G2-08049) AHA-974 S05 Well #1	117	18.8%	1,550,500	4.8	4.1%	4.8	3.0%	100
5587-A AHA-978 S02 Well #2	166	0.0%	100,800	0.3	0.2%	46.8	29.3%	200
5888-A (G2-08834) AHA-976 S03 Well #3A	84	13.5%	7,276,500	22.3	26.6%	22.3	14.0%	100
APP G2-29483 AHA-975 S06 Well #3B	254	40.9%	10,311,300	31.6	12.5%		0.0%	210
7012-A (G2-09889) AHA-973 S04 Well #4	79	12.7%	22,393,020	68.7	87.0%	68.7	43.0%	100
G2-27215 AHA-977 S07 Well #5*	152	17.8%	6,200	0.0	0.0%		0.0%	190
G2-27443 S08 Well #6*	160	18.8%	15,151,700	46.5	29.1%		0.0%	200
Total AFY without supplementals	700	122.6%	56,790,020	174.3	24.9%	142.6	89.1%	710
Total*	1,012							1100

Electrical Usage in Kwh

	Jan.-23	Feb.-23	Mar.-23	Apr.-23	May-23	Jun-23	Jul-23	Aug.-23	Sept.-23	Oct.-23	Nov.-23	Dec.-23	Total
Well #1	1,148	1,014	1,112	1,001	951	1,996	776	928					8,926
Well #2	1,025	893	1,254	1,700	945	605	49	81					6,552
Well #3	3,525	1,519	1,642	1,468	3,808	9,565	12,721	10,244					44,492
Well #4	3,393	3,913	4,580	4,127	5,335	4,885	5,357	4,913					36,503
Well #5	1,258	1,100	1,213	1,101	1,180	1,071	136	22					7,081
Well #6	9,407	8,481	8,931	8,263	14,803	3,564	4,628	7,170					65,247

total: 19,756 16,920 18,732 17,660 27,022 21,686 23,667 23,358 0 0 0 0 168,801

Gallons Per Kwh													Gal/Kwh YTD
Well #1	0	0	0	0	18	278	528	555					172
Well #2	0	0	0	0	0	0	0	0					0
Well #3	234	0	0	0	261	387	427	417					216
Well #4	533	554	551	539	582	556	551	541					551
Well #5	0	0	0	0	0	0	46	0					6
Well #6	212	210	210	216	221	174	182	201					203
total:	234	234	235	205	273	350	408	380				AVG Gal/Kwh combined =	334

Historical Data			
	Pumped	Sold	Loss
2010	69,790,309	66,840,300	4.2%
2011	60,958,882	56,483,665	7.3%
2012	57,963,886	54,775,298	5.5%
2013	56,859,553	54,275,297	4.5%
2014	62,649,611	60,973,228	2.7%
2015	66,109,416	61,749,171	6.6%
2016	66,784,811	62,157,037	6.9%
2017	64,963,044	62,010,322	4.5%
2018	67,149,235	64,162,480	4.4%
2019	79,119,500	61,189,708	22.7%
2020	71,162,988	65,090,958	8.5%
2021	0	0	#DIV/0!
2022	0	0	#DIV/0!
2023	0	0	#DIV/0!
2024	0	0	#DIV/0!
2025	0	0	#DIV/0!

Updated March 7, 2019 per Water Use Efficiency Guide Book Third Edition (Jan. 2017)
 per WSDOH Division of Environmental Health Office of Drinking Water Pub. DOH 331-375
Distribution System Leakage Notes: All Repaired 1. 1" water service to 440-450 Penzance Road
 February 2023.

Notes:
 [1] Well 4 source meter failed on 6/5/23. Use Booster Meter Readings instead.

CASH ACCOUNTS**Sep-23**

<u>Location</u>	<u>Type</u>	<u>Name</u>	<u>Balance</u>	<u>As of Date</u>	<u>Operating</u>	<u>Savings</u>	<u>Reserve</u>
Heritage	Checking-8937	Water Operating	254,483.39	09/30/23			
	Money Market-8953	Water Mainline	15,001.84	09/30/23			
	Money Market-8945	Well #6 Reserve	15,001.68	09/30/23			
OCCU	Checking-216S50	Water Committee	76,783.50	09/30/23			
	Savings-0216S7	Water Committee	102,546.71	09/30/23			
Edward Jones #11177	Various length investments	LLWS Mainline Reserve	\$719,972.25	10/13/23			\$719,972.25
Edward Jones #20044	Various length investments	LLWS Capacity Reserve	\$403,363.81	10/13/23			\$403,363.81
Edward Jones #22968	Savings Account	LLWS	\$378,056.20	10/13/23		\$378,056.20	

EDWARD JONES INVESTMENTS

ACCT # - 841-11177-1-9 Main Line ***** USE RESTRICTED TO MAINLINE REPAIRS *****

Type	Value	Purchase Date	Maturity Date	Fund Name	Rate	FDIC
CD	40,856.91	07/19/23	07/25/24	BANK AMER NA CHARLOTTE NC	5.25%	Yes
CD	32,972.61	07/27/23	02/08/24	BERKSHIRE BK PITTSFIELD MA	5.20%	Yes
CD	60,889.59	04/18/23	01/26/24	CITIZENSBK NA PROVIDENCE RI	4.90%	Yes
Cash	104,100.00	10/11/22		CD Matured 10/13/23 - SEE NOTE		Yes
CD	50,925.03	03/28/23	01/05/24	GOLMAN SACHS BK USA NEW YORK	4.90%	Yes
CD	49,983.00	06/12/23	12/22/23	NBT BK NATL ASSN NORWICH NEW YORK	5.30%	Yes
CD	39,960.80	06/16/23	04/01/24	OCEANFIRST BK NATL ASSN TOMS RIV NEW JERSEY	5.30%	Yes
CD	43,926.08	08/18/23	05/28/24	PLAINS COMM BK HOVEN SD	5.30%	Yes
CD	42,972.91	08/18/23	02/29/24	RELIANCE SVGS BK ALTOONA PA	5.25%	Yes
CD	83,885.76	11/07/22	12/11/23	SYNOVUS BK COLUMBUS GA	4.55%	Yes
CD	31,976.00	02/08/23	11/13/23	TRUST BK CHARLOTTE NC	4.65%	Yes
CD	45,896.04	06/12/23	06/17/24	VALLEY NATL BK PASSAIC NJ WASHINGTON TR CO WESTERLY RI	5.25%	Yes
CD	40,984.01	09/15/23	03/19/24	WASHINGTON TR CO WESTERLY RI	5.35%	Yes
CD	49,523.00	11/28/22	12/05/24	WELLS FARGO BK N A SIOUZ FALLS SD	4.85%	Yes
MFIS	1,120.51			MONEY MARKET FUND INVESTMENT SHARES		Yes

719,972.25 Note: \$100,000 will get allocated in 11/23 to Aug 2024 and then remaining rolled as avail cd's with good rates open up

ACCT # 841-20044-1-1 Well Reserves ***** USE RESTRICTED TO MAINLINE REPAIRS *****

Type	Value	Purchase Date	Maturity Date	Fund Name	Rate	FDIC
CD	34,988.80	08/18/23	11/16/23	BANK AMER NA CHARLOTTE NC	5.05%	Yes
CD	18,933.88	08/18/23	08/23/24	BANK BARODA NEW YORK BRH	5.30%	Yes
CD	39,968.40	09/20/23	06/28/24	BANK BARODA NEW YORK BRH	5.50%	Yes
CD	15,994.56	06/12/23	12/22/23	CATHAY BK LOS ANGELES CALIF	5.30%	Yes
CD	52,950.71	10/04/23	07/11/24	CITIZENS BK NA PROVIDENCE RI	5.50%	Yes
CD	39,963.60	08/18/23	02/22/24	FIFTH THIRD BK CINCINNATI OHIO	5.20%	Yes
CD	36,940.06	10/11/23	10/15/24	GOLDMAN SACHS BK USA NEW YORK	5.45%	Yes
CD	23,964.48	07/19/23	03/28/24	INDEPENDENT BK MEMPHIS TENN	5.10%	Yes
CD	49,939.50	07/19/23	04/26/24	MERRIMACK CNTY SVGS BK CONCORD NH	5.30%	Yes
CD	37,954.02	09/20/23	05/28/24	PROVIDENT SVGS BK F S B RIVERSIDE CA	5.35%	Yes
CD	50,978.58	07/03/23	01/11/24	WELLS FARGO BK NA SIOUX FALLS SD	5.30%	Yes
Cash	787.22					
	403,363.81					

ACCT # 841-22968-1-9 SAVINGS ***** INTEREST TAXED IF USED *****

Type	Value	Purchase Date	Maturity Date	Fund Name	Rate	FDIC
CD	40,011.60	09/28/23	07/25/24	* BANK HAPOLIM BM NEW YOURK BRH	5.50%	Yes
CD	39,990.40	09/28/23	04/01/24	* BYLINE BK CHICAGO ILL	5.35%	Yes
CD	39,993.20	10/04/23	12/21/23	* CENTIER BK WHITING IND	5.40%	Yes
CD	40,004.80	09/28/23	04/08/24	* FIRSTBANK PUERTO RICO SANTURCE INSTL CTF DEP PROGRAM	5.45%	Yes
CD	45,002.25	10/04/23	02/05/24	* MIDWESTONE BK IOWA CITY IA	5.40%	Yes
CD	20,934.90	07/19/23	11/15/23	PEOPLES BK MARIETTA OHIO	5.30%	Yes
CD	20,968.92	07/19/23	07/24/24	PNC BK NATL ASSN WILMINGTON	5.25%	Yes
CD	39,948.00	10/06/23	04/26/24	* PNC BK NATL ASSN WILMINGTON DEL	5.45%	Yes
CD	39,943.20	04/18/23	07/11/24	US P=BK NATL ASSN INSTL CTF DEP PROGRAM BOOK ENTRY	4.90%	Yes
Cash	51,258.93					
	378,056.20		01/26/24			

Note: \$250,000 transferred from the Water Mainline account and deposited in Sept-23 and allocated to * accounts