

Shangri-La Shores, Inc. (SLS) Regular Board meeting

Meeting minutes for the Board of Trustees Meeting

on

July 19, 2024 at 6:30 pm

Zoom

Board Members Present: Billie Alcott, Beth Binger, Lois Craig, Brian Pulk, Ron Roberts, Steve Hucik, and Duane Smith

Community Members Present: Tom Alcott, Eydfinn Tausen

1) Approval of Minutes

Motion for approval of March 14, 2024, meeting minutes provided by Duane Smith.

Motion seconded by Billie Alcott.

All in favor.

Motion carried.

2) Treasurer's Report

- **Accounts Receivable Status**

As of July 1, 2024, the financial status is:

- Common Area Operating Fund - \$23,406
- Water System Operating Fund - \$22,922

- Common Area Long-Term Reserve – \$68,072
- Water System Long-Term Reserve - \$96,525

Billie Alcott noted there are four (4) lots which are delinquent as of July 16, for a total past-due amount of \$5,256.69. One resident owes \$2,800.

Brian Pulk noted that there is a 3% late fee per quarter on past-due payments, plus a \$25 administration fee. According to our current policy, King Water should be charging the late fees.

Steve Hucik asked if we allow a payment plan. The overwhelming response was yes, and we have worked (and still work) with homeowners on an individual basis to accommodate payment plans.

- **Financial Report**

The final new well assessment to be collected is \$53,200 (76 x \$700).

Lois Craig also reported that we are continuing to investigate accounting firms.

4) Vice President Report

- **Architectural Committee Work**

Billie Alcott noted that there is nothing new to report on the Architectural Committee at this time.

- **Updating the Board Operating Procedures Manual**

There is nothing new to report on the Board Operating Procedures Manual at this time.

5) Water System Report

- **Status of current system**

Tom Alcott reported that we completed the 2023 Water Use Efficiency Report for the Department of Health, Office of Drinking Water (DOH ODW) on June 4, 2024. The report was delivered to customers via email on June 22, 2024.

Water Quality Monitoring

Tom Alcott also reported that SLS was in violation of the Water Quality Monitoring requirement for Lead and Copper testing. Water samples were collected from five (5) houses on June 2 and 3. All samples were analyzed and found to be within limits. Results were sent to the customers sampled via email on June 16. We submitted a Certification that we notified the customers and mailed to the Department of Health Office of Drinking Water on July 15. We are now in full compliance, and the violation is closed.

The Water Quality Monitoring Program also requires:

- Monthly Coliform testing
 - All tests in the past 12 months have been satisfactory with no issues.
- Consumer Confidence Report (CCR)
 - We submitted this report on June 25, 2024, and it was sent to all water customers.
- CCR Certification Form to the DOH ODW
 - We submitted on July 12, 2024.
 - The delivery requirement was July 1, 2024, so this was late.
- Lead Service Line Inventory (LSLI)
 - For homes built before 1986, all WA state water systems and homes need to be tested for lead.
 - This is due October 16, 2024
 - We have started filling in the appropriate spreadsheet, as this task is not assigned to King water.
 - We will send the LSLI Survey to water customers that require more information.

- We are required to notify customers of the LSLI results by November 15, 2024.
- Sanitary Survey
 - The Compliance Violation here was closed on May 30, 2024.

2024 Operations, Maintenance & Repair Status/Issues

We documented the location of all water meters within the SLS Water System (Completed July 12, 2024). It was noted that water pressure varies between homes, based on their elevation related to the reservoir location. Since our water system is gravity fed, those homes at the bottom of the system have the greatest pressure while those closest to the reservoir have less pressure. These numbers are based on the design from the initial water system construction and are within the acceptable range of the state water regulations.

2024 Customer Issues/Complaints Status

A Coliform test was requested by a customer, Tom Alcott requested King Water test the home, and the results were within acceptable limits. Tom Alcott noted any concerns and issues are responded to immediately using the phone or the email to: slswatersys@gmail.com

2024 Water Efficiency Program Status

We had an estimated loss of 12% in 2023, and 11% in 2022. (We are unable to estimate our loss in 2021 due to a faulty meter.) Department Of Health Recommends Loss Investigation and Correction if 3 Year Average is above 10%. Ron Roberts noted that we don't have a water meter at the reservoir, and we don't know where we are losing water. We will need to investigate further.

Lois Craig discussed the creation of a magnet that can be given to residents that states, "Be Water Wise" along with an emergency email and phone number.

Action Item: Lois Craig and Beth Binger will create the magnet.

Safety Issue

It was noted that part of the pumphouse floor is missing over the space where the meter is read. Duane Smith stated that the floor has always been that way. Tom Alcott suggested we create a temporary floor where it is missing. We will need 2-4 feet of flooring.

Action Item: Ron Roberts will look at the needs of the floor in the pumphouse.

- **Communication concerning water issues**

When there are any questions or concerns about the water system or billing, residents can contact: slswatersys@gmail.com

- **Investigating a digital meter reading system**

Tom Alcott and Billie Alcott attended the Whidbey Island Water Systems Association (WIWSA) Annual Symposium on June 29, 2024. They viewed a presentation on a Smart

Water Meter (connected via digital network) and AMI Network presented by subeca, and asked if we were interested. It is both a hardware and software solution.

Steve Hucik asked if this device is a King issue, and Brian Pulk asked about cost.

Action Item: Tom and Billie Alcott will move forward on investigating a digital water meter system and inquire about King’s future plans to go digital.

- **Revising the Water Service Policies**

Lois Craig reported that we are looking to revise our water service policies, which is a requirement of the Department of Health to complete documents for the new well. It clarifies language and revises policies that need to be updated. The new policies will eventually be sent to legal counsel to review.

- **Reviewing the Schedule of Water Rates & Charges**

There was a brief discussion regarding:

1. **New Water Account Fee (formerly Connection Fee)**

There will be no fee for folks who already have a water share.

2. **Delinquency Billing Administration Charge**

3. **Dishonored Check Administration Check**

4. **Clarifying interest for delinquent accounts**

Steve Hucik mentioned looking at all changes to validate these charges (\$5,000 + \$2,100 + long-term reserves). Brian Pulk mentioned that 1992 was when we started using our new water system, and perhaps we should review back to that date.

- **New Well Update**

The overall estimated cost is \$249K (originally estimated at \$245K at the start of the project). We have spent \$151,411 to date. We are on track with the overall cost estimate. Brian Pulk mentioned that we do want to end the project with \$50K in long-term reserves and at this point the projections are in line with that goal.

DOH Water System Review Application for our Service Area Expansion

We received review comments from DOH via letter on May 10th, and we submitted our reply on July 12. We need to update our Water Service Policies to address two issues brought up in the DOH Letter. Those issues are:

“Water service policies do not appear to address that the association will meet its duty to service (Municipal Water Law) or identify an appropriate appeal process for properties owners who believe the conditions of service are not timely or reasonable.”

Lois Craig, Billie Alcott, and Tom Alcott met on July 12th to discuss necessary changes to the Water Service Policies. Tom Alcott is in the process of revising the Water Service Policies to create a new draft document to be reviewed by Board and the Water Committee before getting legal counsel.

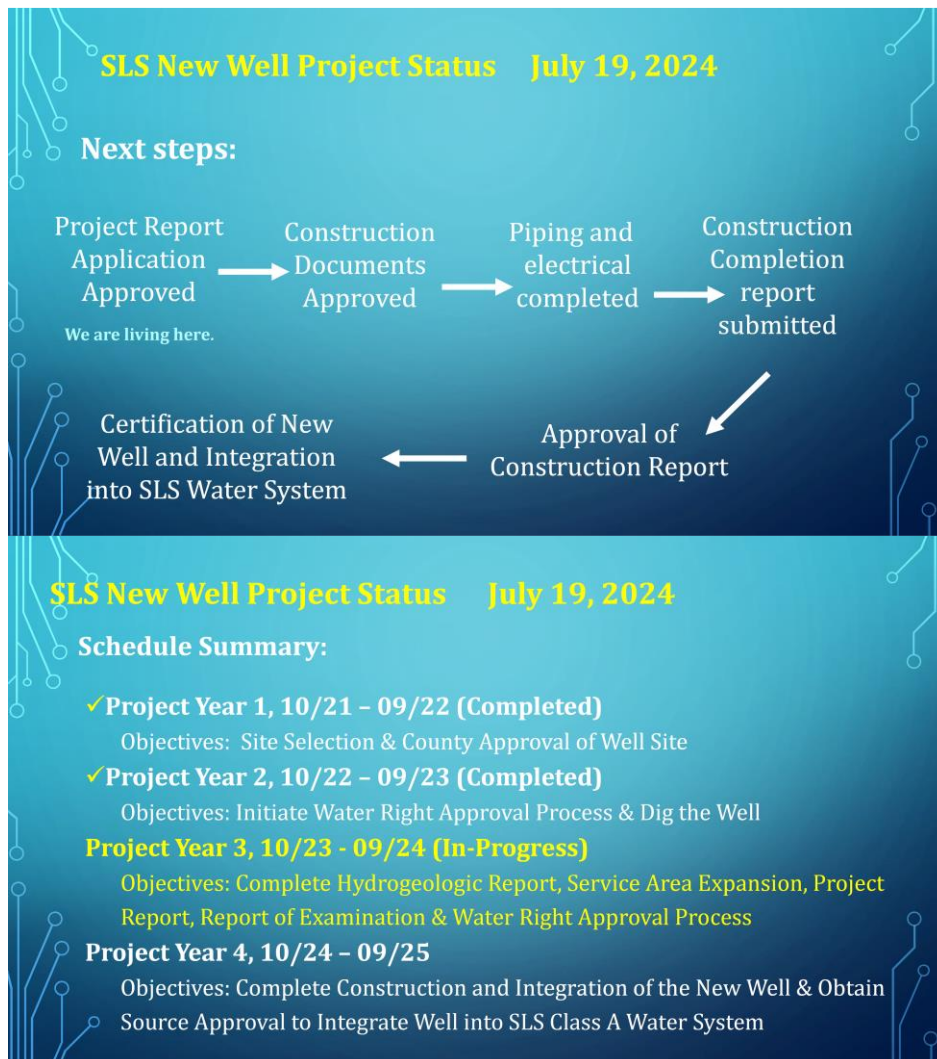
Water System Program

SLS is developing a Water System Program (Small Water System Management Program) in accordance with WAC 246-290-105. Our ongoing draft has been reviewed by the Water Committee.

Hydrogeologic Report

Mott-MacDonald completed the draft Hydrogeologic Report for the new well and submitted it to SLS and FACET (formally DCG/Watershed) for review in March. It concluded that the new well will be an adequate source to meet SLS needs with minimal impact to neighbors. It also said that arsenic exceeded the MCL (0.010 mg/L) at a reading of 0.0106 mg/L. This issue can be mitigated by mixing the water from both wells. All other water quality test requirements were met. Mott-MacDonald Submitted the Final Hydrogeologic Report to WA DOE on April 12, 2024. We have not received any comments yet from DOE. FACET is using the Hydrogeologic Report to complete the New Source Approval Project Report.

Here is the latest progress:



6) Dock and Common Area Report

- **Status of Common Area Assets**

Ron Roberts reported on the Common Area Assets:

- The pathway for quads driving to the boat launch has been completed.
- The picnic table repair/replacement is in process and should be completed in about two weeks.
- The repair to the main crossbar on the swing set is in process and should be complete in about one week.

7) New & Old Business

- **Department of Fish and Wildlife research**

The Department of Fish and Wildlife is still doing research around our pier. As a reminder, they are looking into the impact small pier and floats have on the marine life in the area. Many studies have been completed on the large commercial docks (ferry terminals, cruise ship, marinas, etc.) but not the local small docks around the Puget Sound. Our pier was the first to be visited in the study.

- **Establish Meetings for the rest of the year**

Upcoming meetings were set for:

- October 8, 2024 at 9am
- January 14, 2025 at 9am
- April 8, 2025 at 9am
- May 10, 2025 at 9am (Annual Meeting)

- **Other**

Tom Alcott and Lois Craig attended the County Planning Commission meeting where Accessory Dwelling Units (ADUs) were discussed. The SLS Community is exempt from application of HB 1337 to our community because it is not in an Urban Growth Area (UGA). So we are still considered a single-family zone.

The next County Planning Commission meeting on August 7, 2024 will be on Short Term Rentals (STRs). The agenda can be found here:

https://www.islandcountywa.gov/AgendaCenter/ViewFile/Agenda/_08072024-788

Ron Roberts moved to adjourn. The meeting was adjourned at 8:30 pm.

Secretary

Beth Binger

On behalf of the SLS Board of Trustees