

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

Meeting minutes for the Board of Trustees Meeting

October 8, 2024 at 9:00 am

Zoom

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

**Also Present:** Tom Alcott, Scott Lawrence, Eydfinn Tausen

## 1) Approval of Minutes

Motion for approval of July 19, 2024 meeting minutes provided by Billie Alcott.

Motion seconded by Duane Smith.

All in favor.

**Motion carried.**

## 2) Treasurer's Report

- **Financial Report**

Brian Pulk reported that as of October 1, 2024, our current status is:

Common Area Operating Fund - \$20,579

Water Service Operating Fund - \$19,736

\* Common Area Long-Term Reserve – \$66,924

\* Water Service Long-Term Reserve - \$124,381

\*includes money market, treasury bills, and Vanguard.

We have a dedicated CD that meets the \$4000 funding requirement from the Department of Natural Resources for our leasing land 4 feet beyond the waterline.

It is currently accruing interest at 4%.

- **Accounts Receivable Status**

Brian Pulk also reported that as of October 1, 2024, we have:

- 9 accounts past due from the final water assessment, totaling \$5,256.69
- 2 accounts in arrears from all assessments: \$6,793.88
- Total due: \$12,289.54

We filed a lien at Island County Assessor's Office for one delinquent account past due. Steve Hucik asked about researching the delinquent person in order to determine the owner's status: moved away, deceased, Executor as a relative, or any other options that will help resolve the delinquent account. SLS is willing to work with each homeowner to

develop options for a payment plan for delinquent accounts. The interest is 12 percent per year on delinquent accounts as established in our by-laws and water service policies.

#### 4) Vice President Report

- **Architectural Committee Work**

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

Billie Alcott also noted that the water service policy is on the website and Board members may want to print the revised copy for their Operating Procedures Manual notebook.

#### 5) Water System Report

- **Water System Report**

Tom Alcott attended the Q3 Whidbey Island Water Systems Association meeting on September 19, 2024. The focus of the meeting was ADUs and how water systems are dealing with them. Lead line survey was also discussed. Owners with homes built before 1986 need to report the material of their line from the meter box to their home. This survey is due October 16, 2024.

##### **Water Quality Monitoring Program**

###### ***Lead & Copper Testing***

Tom and Billie Alcott contacted homeowners and completed the testing for lead and copper in June 2024. Our testing violation is now closed, although the violation is still showing as open on the DOH ODW website. We sent an email to DOH on September 19 asking them to correct the violation status being shown.

###### ***Monthly Coliform Testing***

We failed a monthly coliform test on August 29, 2024. We retested four (4) times on September 3, 2024, and no coliform was present. We tested again on September 11, and no coliform was present. We have created a Coliform Monitoring Plan to meet the DOH requirements, which is part of the Small Water System Management Plan. Given our change in elevation and water pressure throughout our community, the coliform testing plan will be given to King Water with instructions to follow the Management Plan.

###### ***Semi-Annual Testing for Chloride & Electrical Conductivity***

While the State of WA requires testing once per year, Island County requires samples from Saltwater Intrusion High Risk Areas twice per year, in April and August. King Water did not take a sample in April. We are trying to determine if King Water took samples in August. They did not reply to our first email inquiry on 09/01/2024. We did receive a reply on the

second attempt sent 09/19/2024. King said that they would investigate. And they charged us on our latest invoice for our emails asking about these tests.

***Lead Service Line Inventory (LSLI): Due 10/16/2024***

We are continuing to fill in WA DOH ODW LSLI Spreadsheet (currently 10 entries to go). This task is not assigned to King Water. The LSLI Survey was sent to all water customers with homes built prior to 1986 on 08/21/2024 and again on 09/18/2024 to those who did not reply in August. We will need to notify customers of LSLI Results by 11/15/2024 with the results of what was reported.

***2024 Operations, Maintenance & Repair Status/Issues***

Michael Roberts is in the process of repairing, caulking windows, sanding, patching, and painting the exterior of the pump house.

Tom Alcott repaired the water system vent at 816 S Arbor Drive. He replaced the screen and purchased bolts to secure the lid in place.

***2024 Customer Issues/Complaints Status***

We received a complaint from a second homeowner regarding low water pressure. SLS has gravity-fed water pressure, so homes at higher elevations have less pressure. Water pressure is determined by the elevation difference between the reservoir and the home. The reservoir base is at 241 feet elevation (water level fluctuates). The state requires water pressure be at 20 PSI or higher. Our water system pressure is between 30 and 90 psi depending on location.

Formula to estimate water pressure:

PSI = (Reservoir Base Elevation - Home Elevation) in feet x 0.432 psi/ft or Elevation Delta/2.31 ft/psi

Example: (242 – 40) x 0.432 = 87 psi (for the Alcott House)

Homeowners are responsible for purchasing a pump if they would like higher water pressure. They must notify the water system if they boost their pressure.

It was also noted that we need to develop a cross-connection water flow plan.

***2024 Safety Issues***

The pump house floor has been repaired, and there are no other open safety issues.

***Communication with King Water***

When there are questions or concerns about water system issues or billing, please use this address: **slswatersys@gmail.com**

- **Water Service Policy Revision and Legal Counsel**

The revised water service policy was reviewed by legal counsel through a Zoom call with Lois Craig and Tom Alcott Thursday, August 29, 2024. No changes were needed to the

revisions. The revised Water Service Policy was approved by the Board and was uploaded to the SLS website. The revised document was sent to the Department of Health as part of the project approval process.

- **Second Well Update**

The estimated cost for the second well at the start of the project was \$245K. We are on track with our current overall cost estimate, having spent \$163,540 to date. See outline below.

DATE	EXPENSE	OTHER \$	WA DOE	MMD (PGG)	FACET	TOTAL
7/24/24	Service Area Expansion Task				\$ 1,005.00	\$ 1,005.00
7/24/24	New Well Development Task				\$ 558.50	\$ 558.50
8/20/24	New Well Development Task				\$ 1,754.00	\$ 1,754.00
8/23/24	Service Area Expansion Task				\$ 1,025.00	\$ 1,025.00
8/30/24				\$ 2,245.00		\$ 2,245.00
9/16/24	New Well Development Task				\$ 4,472.00	\$ 4,472.00
9/26/24				\$ 1,070.50		\$ 1,070.50
<b>TOTALS</b>		\$ 66,479.29	\$ 7,020.00	\$ 38,336.52	\$ 51,704.91	\$ 163,540.72
		Invoiced to date:	\$ 1,579.50			
			\$ 5,440.50	\$ 37,202.77		

**DOH Water System Review Application for our Service Area Expansion**

Updated Water Service Policies were approved by the Board on August 31, 2024, and provided to FACET on September 1. The State treats SLS Inc Water System like a Municipal Public Water System for compliance, however we are not one. We are still a private water system. The state requires the Board of Trustees of the organization to govern the water system.

Ron Roberts asked what we need to complete this project. Tom Alcott explained tasks still ahead, including:

- We are waiting on the Board of Island County Commissioners (BICC) resolution approving our new service area. We expect to receive this at the BICC Meeting on December 3, 2024. Steve Hucik recommended that we ensure we are on the December agenda.
- Mott-MacDonald submitted the Draft Hydrogeologic Report to WA DOE on April 12, 2024. DOE completed their review on July 30, and only proposed one revision. Mott-MacDonald agreed to the change and now are revising and finalizing the draft report for final approval.
- FACET Submitted the 188-page (38 MB PDF file) Draft New Source Approval Project Report to DOH on September 10, 2024. FACET used the Hydrogeologic Report as part of the New Source Approval Project Report. The report covers:
  - Well information
  - Hydrogeological assessment
  - Water Right Change Application and Water Right Self-Assessment
  - Construction plans
  - Water quality results

- Treatment needs
- Wellhead Protection Plan including Susceptibility Assessment & Contamination Inventory

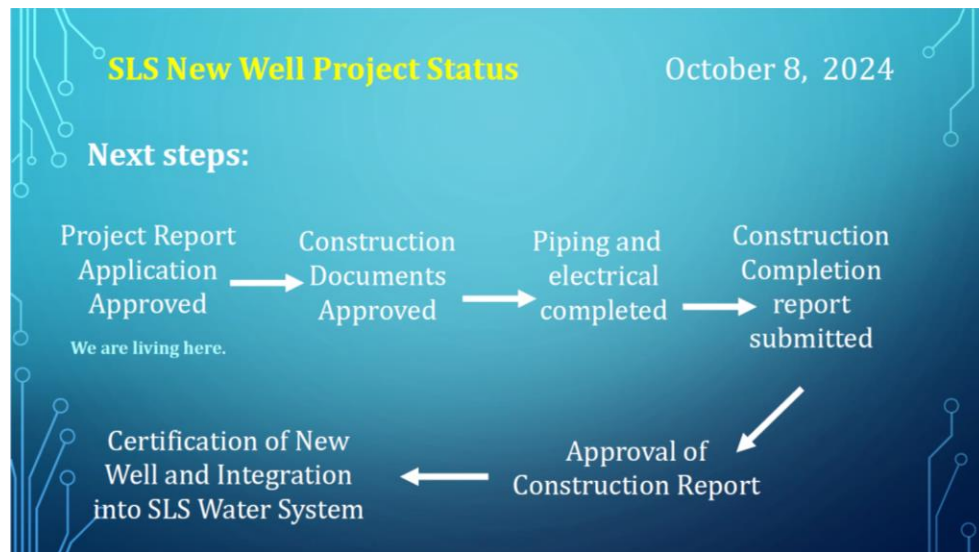
Our potential issue is that the arsenic level in the second well is above MCL. Arsenic exceeded the MCL (0.010 mg/L) at a reading of 0.0106 mg/L. This issue can be mitigated by mixing the water from both wells.

- SLS is developing a Small Water System Management Program (SWSMP) in accordance with WAC 246-290-105. A draft is underway. The Small Water System Management Program document draft has been reviewed by the Water Committee. See outline of SWSMP status below:

**SMALL WATER SYSTEM MANAGEMENT PROGRAM (SWSMP)  
COMPLETION STATUS AS OF 10/08/2024**

<ul style="list-style-type: none"> <li>• 1.0 Managerial           <ul style="list-style-type: none"> <li>✓ Mission Statement</li> <li>• Statement of Adoption</li> <li>✓ Management Structure and the Governing Board Purpose</li> <li>✓ Service Area and Facilities Map</li> <li>✓ Service Policies</li> <li>• Cross-Connection Control Program</li> <li>• Source Water Protection Program</li> <li>✓ Emergency Response Plan</li> <li>✓ Next Steps to Improve Managerial Capacity               <ul style="list-style-type: none"> <li>✓ Periodic Review of Water System Policies</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 2.0 Technical           <ul style="list-style-type: none"> <li>✓ Certified Operator</li> <li>• Operations and Maintenance Program</li> <li>• Water Quality Monitoring Program</li> <li>• Component Inventory and Assessment</li> <li>✓ Water Rights Self-Assessment</li> <li>✓ Water Production</li> <li>✓ Current Water Consumption</li> <li>✓ Future Water Consumption</li> <li>✓ Water Use Efficiency Program</li> <li>✓ Next Steps to Improve Technical Capacity</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• 3.0 Financial           <ul style="list-style-type: none"> <li>✓ Short-Lived Asset Replacement and Other Planned Improvements</li> <li>✓ Long-Lived Asset Replacement</li> <li>✓ Six-Year Budget</li> <li>✓ Water Rates</li> <li>✓ Next Steps to Improve Financial Capacity</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 4.0 Other           <ul style="list-style-type: none"> <li>• Records Management</li> <li>✓ Water Facilities Inventory Form</li> <li>✓ Annual Operating Permit</li> <li>✓ Consumer Confidence Report (Optional)</li> <li>✓ Other System Records (Optional)</li> </ul> </li> </ul>

Status of the New Well Project:



**Schedule Summary:**

- ✓ Project Year 1, 10/21 – 09/22 (Completed)
  - Objectives: Site Selection & County Approval of Well Site
- ✓ Project Year 2, 10/22 – 09/23 (Completed)
  - Objectives: Initiate Water Right Approval Process & Dig/Test the Well
- ✓ Project Year 3, 10/23 - 09/24 (Completed)
  - Objectives: Complete Hydrogeologic Report, Service Area Expansion, New Source Approval Project Report, Report of Examination & Water Right Approval Process
- Project Year 4, 10/24 – 09/25
  - Objectives: Complete Construction, Integration of the New Well, and Construction Report, and Obtain Source Approval from the State & County to Integrate Well into SLS Class A Water System

**6) Dock and Common Area Report**

• **Status of Common Area Assets**

A picnic table and bench have been replaced. Ron Roberts is putting cement blocks under the picnic tables to lift them a bit. Linseed oil was applied for protection by Carol Green.

The swing set main cross bar was replaced and reinforced by Michael and Brent Roberts.

• **Float Removal and Cleaning**

The float was successfully removed, and the sides and underneath scraped free of barnacles, mussels, and seaweed. Thanks to Billie Alcott and Lois Craig for their work on this.

**7) New & Old Business**

- **Reminder**

As a reminder, SLS is **not** located within an UGA (Urban Growth Area), so the regulations and requirements of the new legislation for single-family housing zoning do not apply to our community. SLS is still a single-family housing zone.

- **New Business**

Northwest (formerly King Water) has a new fee structure and contract. Steve Hucik offered a detailed review, explaining that they are switching to a 'Cost-Plus' arrangement with costs being based on hourly rates and technician certification level with a 10% added as the 'Plus' in the year 2025 and 20% added as the 'Plus-cost' in 2026. This will result in the base fee being \$800 per month. The board expressed concern about the costs of required services. Lois Craig asked all board members to review the Northwest Natural Water Services proposed contract and write down their questions and concerns to bring to the next in-person meeting. However, since Steve Hucik had done a preliminary analysis of the new contract, the Board went through each section of the contract and had discussions and recorded the questions to be addressed. It was decided the next steps would be to seek advice from our legal counsel about the contract before negotiating with NWNWS any changes we propose.

The next meeting will be January 14, 2025 - time to be determined.

The meeting was adjourned at 10:50 am.

Secretary

Beth Binger

On behalf of the SLS Board of Trustees