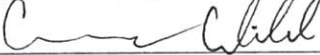


1 Under penalty of perjury I certify that on this day I emailed
2 & deposited in the mails of the United States of America a
3 properly stamped and addressed envelope directed
4 to ROCHELLE Y. DOYEA, Attorney for Defendant,
5 a copy of the document on which this certification appears.
6 DATED THIS 18th day of March, 2024

7 
8 _____
9 CONNER CHILD, Legal Assistant to Carla J. Higginson of
10 HIGGINSON BEYER, Attorney for Plaintiff

COUNTY CLERK OFFICE
FILED COPY

MAR 18 2024

LISA A. HENDERSON
SAN JUAN COUNTY, WASHINGTON

6 SUPERIOR COURT OF WASHINGTON FOR SAN JUAN COUNTY

7 FARM TO MARKET, LLC,
8 Plaintiff,

9 vs.

10 EASTSOUND WATER USERS
11 ASSOCIATION, a Washington non-profit
12 corporation,
13 Defendant.

NO. 23-2-05153-28

DECLARATION OF STEVE SMITH IN
SUPPORT OF MOTION FOR SUMMARY
JUDGMENT

13 STEVE SMITH states as follows:

14 I am a former director and president of Eastsound Water Users Association (“EWUA”). I ran the
15 board election for EWUA for 2022 so am very familiar with the election process. I am over the age of
16 18 years, have personal knowledge of the facts contained herein, and am competent to testify thereto.

17 Attached hereto are true and correct copies of the following documents regarding EWUA:

18 Exhibit A - Articles of Incorporation

19 Exhibit B - Sample Membership Agreement

20 Exhibit C - Meeting minutes showing the appointment of Scott Lancaster April 18, 2023

21 Exhibit D - Meeting minutes showing the appointment of Rick Christmas, August 29, 2023

22 Exhibit E - Meeting minutes showing the appointment of Clyde Duke, December 6, 2022

23 Exhibit F - Board Term Expirations

24 Exhibit G - Notice to Members

25 Exhibit H - Press release from Eastsound Water on December 15, 2023

26 Exhibit I - Outline of potential new election procedures

27
28 TOTAL # OF PAGES: 32

Declaration of Steve Smith - 1

HIGGINSON BEYER
A Professional Services Corporation
175 SECOND STREET NORTH
FRIDAY HARBOR, WASHINGTON 98250
TELEPHONE: (360) 378-2185
FACSIMILE: (360) 378-3935

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I declare under penalty of perjury of the laws of the state of Washington that the foregoing is true
and correct.



STEVE SMITH
DATE: March 9 2024
PLACE OF SIGNING: Eastsound, WA

TOTAL # OF PAGES: 32
Declaration of Steve Smith - 2

HIGGINSON BEYER
A Professional Services Corporation
175 SECOND STREET NORTH
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FACSIMILE: (360) 378-3935



APP

APPROVED AND FILED

APR 7 - 1955

EARL COE
SECRETARY OF STATE

Earl Coe
Assistant Secretary of State

ARTICLES OF INCORPORATION
OF
EAST SOUND WATER USERS ASSOCIATION

We, the undersigned, residents of the State of Washington, do hereby associate ourselves together with the intention of forming a corporation under Chapter 6 of Title 25 of Remington's Revised Statutes of said state, as amended, and in furtherance thereof do hereby make, sign and declare the following.

ARTICLE I

The name of this organization shall be:

EAST SOUND WATER USERS ASSOCIATION.

ARTICLE II

The purposes for which this corporation is formed are to furnish water to its members and others, and to do all things useful or desirable to that end, including but not by way of limitation, the operation of water systems of every kind, the construction, reconstruction and acquisition in any fashion of reservoirs, wells, pumps, water lines, and water rights, the maintenance of flumes, lines and works to convey and furnish water for every purpose or use, and all things incidental thereto; to acquire franchises, easements, rights-of-way, property, by purchase, gift or condemnation as provided by law; and the exercise of all powers granted to the corporation by law. The corporation shall render no service to or for the public.

ARTICLE III

The principal place of business of the corporation shall be East Sound, Washington.

ARTICLE IV

The existence of this corporation shall be perpetual.

ARTICLE V

The affairs of the corporation shall be managed by a Board of not less than five (5) trustees. Until the by-laws shall provide otherwise there shall be seven (7) trustees, and the names of the trustees who shall manage the affairs of the corporation for the first three months following completion of its organization are:

- | | |
|-----------------|-------------|
| Thad McGlinn | John O'Dell |
| Galen Burghardt | Fred Nicol |
| Karl Moran | George Gow |
| Glen Porter | |

ARTICLE VI

The members of the corporation shall consist of the said trustees, together with H. F. Furrow, Howard Porter, and Carl Webber, who shall be charter members hereof, plus such other persons as may be accepted as additional members under such conditions, and subject to such approval as may be fixed by the by-laws. The rights of all members shall be subject to these articles, the by-laws and all orders and regulations made pursuant thereto, and to all contracts entered into by the corporation. No

additional members shall be accepted nor water furnished to any additional persons at any time if such expansion of the membership or the furnishing of such additional water would in any way jeopardize the furnishing of an adequate supply of water to the then existing members of the corporation for ordinary domestic use, including domestic garden irrigation.

ARTICLE VII

By-laws shall be adopted at the first meeting of the membership for the government and management of the corporation and its affairs. The by-laws may thereafter be amended, repealed or added to by the Board of Trustees, subject to the right of the membership by affirmative vote of a majority of the whole membership to amend, repeal or add to the by-laws.

ARTICLE VIII

The by-laws may authorize the Board of Trustees to fix all water rights, charges and fees of every kind in connection with the furnishing of water or water service, and to fix such conditions as the board may think proper for installation and connections for water service.

ARTICLE IX

This corporation shall have no capital stock and no dividends or pecuniary profits shall be declared or accrue to the members thereof; PROVIDED, advancements or loans may be made to and received by the corporation for the furtherance of its purposes, and provision may be made by the Board of Trustees or the by-laws for the re-payment of such loans or advancements with interest; and provided further that surplus funds accumulated from fees or charges paid by members may be distributed among the membership as provided by the by-laws.

IN WITNESS WHEREOF, we, the undersigned, have hereunto set our hands in triplicate this *fourth* day of *April*, 1955.

John A. O'Neil

John Bengtson

George L. Gow

Hubert J. Starnes

Karl P. Moran

Lincoln H. Porter

Membership Agreement

Impact Units

This Membership Agreement describes the duties and obligations of Eastsound Water Users Association (Eastsound Water) and the Water User who connects to Eastsound Water for the purposes of obtaining water. San Juan County has designated Eastsound Water as the sole provider of water within the Eastsound Water service area. As the sole provider of water, Eastsound Water is obligated to provide water, insomuch as it has the capacity to do so, to all consumers of water within the service area, and to do so without discrimination.

Eastsound Water is a member-owned cooperative. Eastsound Water acts through an elected Board of Directors, which manages the affairs of the cooperative. All revenues are used to provide water to Members within the service area while maintaining and operating the system in compliance with applicable legal standards.

Definitions

- **Water User:** Any individual or legal entity authorized to obtain water through an Eastsound Water account
- **Member:** A Water User whose application for membership in Eastsound Water has been accepted by the Board of Directors

- **Membership:** The Members collectively as a group, which acts through an elected board of directors
- **Impact Units:** A term used by Eastsound Water to allocate the costs of developing water system capacity and the costs of operating and maintaining the water
- **ERU:** A term used by the Washington Department of Health when determining the total water capacity available to Eastsound Water.

Requirements of a Membership Agreement

1. There will be one unique Membership Agreement for each tax parcel for which Eastsound Water delivers water
2. The applicant must own the described property and it must be within the Eastsound Water service area
3. A Membership Agreement requires approval by the Board at a regular meeting or by such persons as the Board may designate
4. The applicant will provide a notarized easement for any and all Eastsound Water water system infrastructure on their property on forms supplied by Eastsound Water. The easement will be recorded by Eastsound Water

Duties of Eastsound Water

1. Eastsound Water will provide water to each Member of the Cooperative as equitably, without discrimination, and in compliance with applicable safe drinking water regulations and its water system
2. Eastsound Water will provide notice to all Members of any changes in the Bylaws and Operating Rules
3. Members may use as much water as desired, and can afford, provided they pay the applicable rates and charges set by the Operating Rules, and provided that the system as a whole can supply the needs of all Members. The Eastsound Water Board may adopt temporary water use restrictions in response to system emergencies, drought, or other interruption to a water source or water quality issues

Duties of the Member

1. The Member will pay all applicable fees and charges as outlined in the Eastsound Water Operating Rules
2. The Member will pay all water use service charges based on the rate structure outlined in the Eastsound Water Operating Rules include the current Water User rate structure and the Reasonable Water User Threshold policy
3. The Member acknowledges that the rates and fees may change during the lifetime of this Membership
4. The Member will immediately contact Eastsound Water if the Member discovers any problem with the Eastsound Water infrastructure, including tanks, lines, and meters
5. The Member will install and maintain equipment to protect all Members from any contamination of the water system from the Member's connection. This includes backflow protection and shut off valves on the Member side of the connection to Eastsound Water.
6. The Member agrees to only take water from fixtures downstream of the Eastsound Water's water meter associated with this Membership Agreement. NOTICE: This provision is a health & safety issue. A member violating this provision endangers the health and safety of water delivered to all other members
7. The Member will keep or allow Eastsound Water to maintain all water line easements on their property in a grassy and/or gravel covered state and will keep the meter setting accessible and free from plant
8. The Member will provide all water related fixtures downstream of the meter that are necessary to modify the water service to meet the Member specific (i.e. booster pumps, pressure relief valves, water filters, etc.).
9. The Member is obligated to pay all costs associated with system improvements or modifications that are necessary to serve their property including the extension of distribution mains along the property. Eastsound Water may choose to act as the lead contractor for any water system improvements required to provide service to the Member. Any water system improvements must use Eastsound Water methods, materials, and meet WA DOH and Eastsound Water standards. Any costs incurred to provide service or create service conditions satisfactory to the Member shall be borne by the Member. The Member is solely responsible for their actions and the actions of their contractors insofar as they affect any part of the water system.

10. The Member agrees to allow Eastsound Water to conduct inspection, maintenance, and repair activities on their property insofar as Eastsound Water infrastructure is located on their property

11. The Member agrees to complete a Cross Connection Control Survey prior to the activation of service and to conform to any applicable requirement of Eastsound Water's Cross Connection Control. The presence of a well, an alternative water source, or a Cross Connection hazard on the property will require a backflow protection assembly to be provided by owner

12. The Member acknowledges that Eastsound Water may take actions, including restrictions on service or termination of service to protect the Membership if the Member does not fulfill their duties to the Association

13. The Member will maintain full and current contact information with the Association

General Terms of this Agreement

1. This Membership Agreement is entitled to one vote in any Eastsound Water election or proposed membership vote

2. Use of water in the Eastsound Water is conditional upon the availability of water. It is further conditional upon the terms of the Eastsound Water Bylaws, Eastsound Water Operating Rules, Eastsound Water Conditions of Service Governing the Use and Supply of Water, Eastsound Water Design and Construction Standards, the laws and regulations of San Juan County, and the State of Each of these may be amended in the future

3. The supply of water is governed by the availability of infrastructure, adequate water sources, production capability, and actions of the Washington Department of Health. A connection to Eastsound Water does not guarantee that water will be supplied in accordance with the Member's schedule

4. Through the general course of providing water, Eastsound Water will inspect, maintain, and repair Eastsound Water water infrastructure. As a result, service to the Member may be interrupted. There may be temporary variations in water quality as a result of treatment activities or minerals that exist in the raw waters

5. Eastsound Water will endeavor to meet or exceed all Washington State water quality standards

6. This Membership Agreement terminates on the sale or transfer of the property associated with this Agreement, a new allocation of Impact Units, or as specified in the Operating Rules
7. The San Juan County Fire Marshall should be consulted regarding San Juan County code specific to fire hydrant protection requirements for this property. If additional hydrant service is needed, consult with Eastsound Water to assist with planning
8. The Service Meter is/will be set at a location determined by Eastsound Water

Helpful Links

[EyeOnWater](#)
[Billing & Payments](#)
[Service Policies](#)
[New Memberships](#)
[Governance](#)
[News & Articles](#)
[FAQs](#)

Recent News

[Water Study Comparing Residential Water Use by Different Classes of Users](#)
[Annual CCR for 2020](#)
[Billing and Membership Specialist](#)
[Eastsound Water General Manager Transition](#)



EWUA Board Meeting Minutes

4/18/2023

All in Zoom

Meeting called to order at 4pm

People Present:

- Cory Harrington
- Michael Cleveland
- Dan Burke
- Clyde Duke
- Steve Smith
- Ron Claus
- Joseph Cohen
- James Nelson

Visitors to the meeting:

- Scott Lancaster
- Rick Christmas

MINUTES

- **Approval of the Minutes**
 - Motion to approve by Joe Cohen
 - Second by Mike Cleveland
 - Vote in favor unanimously
- **Scott Lancaster**
 - Joined board 2018
 - Involved in GM search
 - Previously resigned
 - Scott has submitted his offer to take Tenar's position
 - Mike Cleveland nominates Lancaster to come back onto the Board
 - Jim Nelson second
 - Call for vote
 - Vote in favor unanimously



- **Treasurer Role**
 - Joe, Jim, and Clyde currently fulfilling the role
 - Maintain status quo while engaged with attorneys
- **Employee Housing Request Update**
 - Cory Harrington 6 month renewal
 - Initially approved 25 Center Ct. lease
 - Alternative site proposal was Bartel but the zoning was incompatible
 - New proposal is Blanchard
 - Washroom is currently underway with permitting on site
 - Clyde proposes research into shared tank connection
 - Steve suggests that there may be HOA restrictions
 - Suggested that HOA should not be an issue
 - Steve inquires about Utility designation restrictions
 - Dan states that research will be done and any issues will be reported
 - Seth Davis at 25 Center Ct. has asked if they can bring their tiny storage building to the property
- **Review Board Packet**
 - Water consumption
 - Call volume
 - Transfers, work orders, locates, service calls
 - Hilltop Tank
 - Clark Well
 - Water System Plan Response
 - Administrative update
 - Taxes and Year End
 - High School Well Lease
 - Terms of agreement, invoicing and payment history need to be researched
 - Other System Discussions
 - Olga & Doe Bay Intertie
 - Spring Point
 - Washington Water
 - Caselle updates

Meeting adjourned at 5:31 PM.



Eastsound Water Users Association – Board Meeting

08/29/2023

Cory Harrington taking minutes.

AGENDA

- 4:00 PM Calling to Order
 - Approval of the Minutes
- 4:05 PM Open Public Comment
- 4:20 PM Executive Session
- Review Board Packet
- 6:00 Call to Close Regular Meeting

Board introduction

Opening Statement by Joe Cohen on behalf of Board

Motion: to approve minutes - Scott Lancaster

Second: Joe Cohen

Vote: Unanimous approval

Open to group for questions

Rochelle Doyea introduction – Attorney of Record for EWUA

Questions from attendees

Rick Christmas

Fred Klein

Dave Johnson

Leith Templin

Robert Austin

Motion: Add Rick Christmas to EWUA Board – Mike Cleveland

Second: Scott Lancaster

Vote: Unanimous approval and effective today

Rick Christmas accepts for the remainder of Steve Smith's term ending December 31, 2023



435 pm Board moves to Executive Session

Board out of Executive Session: 5:00 pm

Motion: Enter into joint opportunity with OPALCO for cost savings, move forward with pipe work 2023 \$77.5k paid out of the current years \$50k budget, with ear mark balance from 2024 – Scott Lancaster

Second: Ron Claus

Vote: Unanimous approval

Motion: Adjourn - Mike Cleveland

Second: Clyde Duke

Vote: Unanimous approval



Special Meeting of the Board: Rate Discussion

December 6, 2022

Attendees: Steve Smith, Tenar Hall, Joe Cohen, Ron Claus, Michael Cleveland and Jim Nelson. Clyde Duke was here as a special visitor.

Topic: Review Operational and Capital Budgets for 2023-2024, and rate changes for 2023

The meeting started at 4:04 PM.

1. MOTION ON THE FLOOR

Joe Cohen makes a motion to bring back Clyde Duke as a member of the Board to serve out the remaining of Scott Lancaster's term. Michael Cleveland seconds the motion.

Vote: 5 vote yes (Tenar Hall, Joe Cohen, Ron Claus, Michael Cleveland and Jim Nelson). Steve Smith abstains.

The Board then turned attention to the Capital and Operation budgets. After deliberation, the following motions were made:

2. MOTION ON THE FLOOR

Cohen makes a motion to approve the Operational and Capital budgets. Seconded by Duke.

Vote: The group approves the motion unanimously.

3. MOTION ON THE FLOOR

Motion from Cleveland to approve the 2023 rate structure for water sales base rate moving upward from \$15 to \$16, consumption rate from \$7 to \$8, and the minimum base rate charge from \$41 to \$45. Nelson seconds the motion.

Vote: The group approves the motion unanimously.

The meeting adjourned at 7:34 PM

The approved Operational and Capital Budgets are attached to these minutes as a reference to these motions.

Created by Steve Smith to help understand the historical and complicated status of the EWUA board positions.

Board Term Expirations

The appointed director's term is for the duration of the seat to which they have been appointed. The appointment of a director does not reset the term length to three years.

The EWUA bylaws do not number the seats, but they are numbered here to help reduce confusion. It is confusing because of the musical chairs played with Board seats by Duke and Lancaster.

The seats are arbitrarily numbered for ease of reference.

Seat

- Seat 1 Expires in 2020, 2023, 2026
- Seat 2 Expires in 2020, 2023, 2026
- Seat 3 Expires in 2022, 2025, 2028
- Seat 4 Expires in 2022, 2025, 2028
- Seat 5 Expires in 2022, 2025, 2028
- Seat 6 Expires in 2021, 2024, 2027
- Seat 7 Expires in 2021, 2024, 2027

In 2022 seats 3, 4, 5 were elected

- Seat 1 – Smith removed – Christmas term expired – Nigretto elected
- Seat 2 – Lancaster resigned – Duke appointee - term expired – Anderson elected
- Seat 3 – Claus
- Seat 4 – Cohen
- Seat 5 – Cleveland
- Seat 6 – Nelson
- Seat 7 – Hall resigned – replacement Lancaster does not run – seat open – should be filled by the candidate receiving the third most votes in the 2023 election.

History

Seat 2 –

- Nov 2017 - Lancaster elected.
- Nov 2020 – Lancaster re-elected.
- Nov 2022 – Lancaster resigned from seat 2
- Dec 6, 2022 – Duke appointed to seat 2.
- Nov 2023 – Term for seat 2 expires.

Duke is required to stand for election because the term for the seat he is currently holding expires in 2023. He also needs to stand for election because appointed directors must stand for election at the next annual election following the appointment. Duke did not submit his name as a candidate.



Special Meeting of the Board: Rate Discussion

December 6, 2022

Attendees: Steve Smith, Tenar Hall, Joe Cohen, Ron Claus, Michael Cleveland and Jim Nelson. Clyde Duke was here as a special visitor.

Topic: Review Operational and Capital Budgets for 2023-2024, and rate changes for 2023

The meeting started at 4:04 PM.

1. MOTION ON THE FLOOR

Joe Cohen makes a motion to bring back Clyde Duke as a member of the Board to serve out the remaining of Scott Lancaster's term. Michael Cleveland seconds the motion.

Vote: 5 vote yes (Tenar Hall, Joe Cohen, Ron Claus, Michael Cleveland and Jim Nelson). Steve Smith abstains.

From December 6, 2022, special board meeting minutes, posted Dec 8 by Burke.

Seat 3 –

- Nov 2019 – Duke elected.
- Nov 2022 – Duke did not run for reelection.
- Nov 2022 – Seat 3 was filled by one of the newly-elected candidates. (Claus)

Minute Notes

Board meeting called to order by Smith at 4:13 PM, Tuesday November 15, 2022. Members present were Steve Smith, Jim Nelson, Tenar Hall, Joe Cohen and Clyde Duke. Scott Lancaster and Johnny Welsh were not present.

The minutes were not sent out before the meeting and were not passed as a result. They will be sent out with the November Minutes for approval in December.

Clyde Duke was thanked on his last day of service for his multiple years serving as a Board Member over the past 30 years, as well as for his generosity donating time and materials to the association.

From November 15, 2022, regular board meeting minutes.

One month later, Dec 2022, after not running for reelection to seat 3, Duke is appointed to Seat 2 whose term expired in 2023.

The seats that should be on the ballot

At the November 2023 election, there should be three seats that need to be filled.

Seat 1 and 2 because their three-year terms had expired and seat 7 because the person appointed to the seat (Lancaster) opted to not stand for election.

The defective 2023 ballot asked members to vote for two seats and said that if people voted for three that the ballot would be discarded.

The ballot should have read that the members should have voted for three and that the top three vote recipients would be elected to seats 1, 2, and 7 with the individual who received the third most votes taking seat 7 with a one-year term remaining.

The defective instructions and ballot can be best cured by recognizing that the individual receiving the third most votes taking seat 7.

Departures

Christmas is off the board for two reasons. A. Because the seat he was holding expired in 2023 and B. because he was an appointee who did not file for the election.

Duke is off the board for two reasons. A. Because the seat he was holding expired in 2023 and B. because he was an appointee who did not file for the election.

Lancaster is off of the board because he was an appointee and must stand for election in 2023 even though seat 7 expires in 2024. Lancaster did not submit his name as a candidate.

Resignation

Joe Cohen resigned seat 4 on November 14, 2023, the day before the annual meeting. Whoever is appointed to fill seat 4 must stand for election in Nov 2024 for a seat that expires in 2025. Seat 4 was on the ballot in 2022, will be on the ballot in 2024 and will be on the ballot again in 2025.

Status

After the 2023 November election, the status of the seats is as follows:

- Seat 1 – Nigretto elected 2023; term will expire 2026
- Seat 2 – Anderson elected 2023; term will expire 2026
- Seat 3 – Claus elected 2022; term will expire 2025
- Seat 4 – Vacant; to be appointed; will stand for election in 2024; term will expire 2025
- Seat 5 – Cleveland elected 2022; term will expire 2025
- Seat 6 – Nelson elected 2021; term will expire 2024
- Seat 7 – Cook elected 2023; term will expire 2024

Annual Meeting Update and Notice 2023

Oct 13, 2023 | Governance, Updates

Dear EWUA Members,

Eastsound Water Users Association (the “Association”) is hosting an annual membership meeting on Wednesday November 15, 2023 to be held on Zoom at 3:00 PM in order to announce the results of the election of two of its Directors to serve on the Board of Directors (meeting details forthcoming). We also would like to take the opportunity to cover other member updates and news – we hope to see you there!

Substantial positive progress has been made over the last few years, some of which will be highlighted in a 30-minute presentation by me, your General Manager, Dan Burke. We invite you to join and learn more about the people and good work that has been accomplished on your behalf, and what is planned for the years ahead (a video recording of the presentation will be available on the Association’s website following the meeting).

The Annual Meeting will culminate with the election of two new directors. Our by-laws provide that two or three Directors be elected each year and with staggered terms. Two Directors (Scott Lancaster and Rick Christmas) will be up for re-election this fall. Any member having an interest in serving on the Board may submit their name and provide a bio or resume or statement of relevant work history and experience on our website.

Nominees for Director positions shall be submitted to the Association between October 10th, and 12 noon on October 20th, 2023, to be considered a candidate for the Board of Directors. Ballots and proxies for voting will be distributed by mail to all Members once the nomination period has closed. All ballots and proxies must be returned to the Association Office at 286 Enchanted Forest Road B102, Eastsound, WA 98245 by 12 noon, November 10th, 2023.

Please note that Eastsound Water Users Association elects to proceed under the rules provided in RCW 24.03A.405(6). Any member seeking a membership list of the corporation shall comply with those rules.

For Further information, and to become a candidate for the Board of Directors, please check out the Association's website for all the latest details:

A Message from the Board

EASTSOUND WATER USERS ASSOCIATION 2024 Board Transition Plan

Dear Members,

The Eastsound Water Board of Directors is committed and has always been committed to the best interests of our members. That includes delivering safe, high-quality water to our community and ensuring the

health and well-being of the Association and the employees who work on your behalf.

Your Board consists of seven volunteer, unpaid Directors. Three Directors (Jim Nelson, Clyde Duke, and Joe Cohen) have served over eight years, and one Director has served over four years (Scott Lancaster). Two Directors (Ron Clause and Michael Cleveland) were newly elected and joined the Board effective January 2023. One Director (Rick Christmas) was recently appointed to the Board.

There are a number of operational and technical challenges, industry dynamics, and nuances faced by Board Directors that require a fair amount of institutional knowledge to be effectively actionable. Therefore, continuity of leadership and an every-evolving onboarding and education process is vital to the health of the organization.

The Board has discussed in prior years how to create a transition from the existing Board to new leadership, with considerations for balancing generational and institutional knowledge with better representation, inclusion and diversity. Several existing Directors are planning to transition off the Board in the coming years, and they would like to do this with the least disruption to services and the health of the organization.

Below is a list of the current Directors and their respective terms:

Election 2023 (this November):

Lancaster Finishing Term: Membership Elects New
Director

Christmas Finishing Term: Membership Elects New
Director

Election 2024:

Nelson Finishing Term: Membership Elects New
Director

Duke Finishing Term: Membership Elects New
Director

Cohen Stepping Down: Board Appoints New
Director

Election 2025:

Appointee Up for Re-election

Claus Up for Re-election

Cleveland Up for Re-election

This plan cannot be effective, however, without members who are willing to step forward. This fall we will be holding our annual elections for two new Directors. It is our hope that we will find new members to help lead the Association into the coming generations. And if not this year, maybe consider next year, as we will have new openings then. Either way, it has never been more exciting to learn about the water business and your local water organization. We urge you to get involved if this kind of community service interests you.

Thank you for your consideration and please reach out to your Board with any questions about the role or the business.

– The EWUA Board of Directors

Annual Consumer Confidence Reports (CCR)

If you haven't checked it out, please review our amazing 2022 Consumer Confidence Report! We send these reports annually to our customers so you can see how your local water system measures up. We are proud of the results and are excited to bring you the best water possible to your homes and businesses. Read our 2022 Consumer Confidence Report online now:

Professional Fees & Expenditures

I am sure you are all aware that a former terminated Board member, and a second former Director, has emailed our members several times with

unsubstantiated and misleading information about the Association. That action, and their continued actions, have put unnecessary financial and emotional stress on our small staff and volunteer Board, who have been working diligently to be transparent and share information with the public, where legally permitted, and maintain our fiduciary and operational duties, which are complex and important.

Our focus still remains on delivering the best quality water to our members, and to honor our legal and moral obligations to our membership, which includes updating members on Association progress, changes, or news that affects them; being as transparent as possible within our legal limits on matters of the Association; and stewarding us into the future.

We do anticipate spending more on professional services in the future as they persist, so please read more about this topic on our website:

Bylaw Review Process

Your Board of Directors have reviewed our existing Bylaws with the Association's legal counsel and has been in the process of updating them to comply with new laws and current industry standards. Please tune in to the discussion underway with the membership.

You can learn more about these proposed bylaw updates online:

A New Vision

In the past year-and-a-half the Association has been implementing a thoughtful strategy to increase the long-term stability of Eastsound Water. This has had the great benefit of bringing more revenue home to fund capital projects and to reduce our rates, while creating more reliability for thousands of additional islanders.

Eastsound Water took over the daily management of the Doe Bay, Olga and three Rosario water systems with great success in 2022. By taking on these systems, we have been able to provide reliability to all of these systems by onboarding new operators here at home. In the process, we have gained new tools and certifications, and more experience in a range of diverse work situations. All of this has elevated the quality of our staff, our work-life balance, and has increased our redundancy and resiliency overall. In the past year we have expanded our reach from about 1,800 people to over 4,000 islanders, and at a positive net margin.

We have also expanded our tiny team of six full-time employees (three Operators, two Admin and a GM) just a few years ago – to a bright and proud group of

eleven (eight Operators, two Admin and a GM). And we are currently housing a portion of them and their families.

We look forward to sharing more about these topics and other topics at our Annual Meeting. We look forward to seeing you all there! Thank you for your time and for being a valued Eastsound Water member.

Dan Burke
General Manager

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NEWS

COMMUNITY

ENVIRONMENT

GOVERNMENT & POLITICS

OPINION

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< Previous Next >

Invitation to apply for vacant EWUA Board position

December 15th, 2023 | Comments Off



||| FROM EASTSOUND WATER USERS |||

The EWUA Board has determined the best way forward in filling the two open board positions is as follows:

In accordance with the EWUA By-laws there should be a total of seven board members. Currently there are five seats filled during the Board Meeting on the 5th of December 2023.

Current Board Members:

- Teri Negretto – President
- Jim Nelson – Vice President
- Carol Ann Anderson – Secretary and Treasurer
- Ron Claus – Board Member
- Michael Cleveland – Board Member

Open Board Member Positions:

Position 1 – to be filled by Jim Cook, who received the third highest votes during the recent election in November 2023. This was decided by Board vote. Jim Cook will serve for a one-year term and will have to run and be elected to the Board in accordance with the By-laws.

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OUR SUPPORTERS

Position 2 – Formal Invitation is issued via this notice to request applications from Members who are interest in participating as a Board Member for one year. At the end of that year the individual will have to run and be elected to the Board via our official election process.

Once applications are received the Board will review all applicants. Be sure that when applying you are a Member of the Association in good standing or are a designated member representative of a member in good standing. A selection will be made based on the best overall candidate for the job. This position will be appointed by the Board in accordance with the current EWUA By-laws.

INVITATION

Applicants should provide the following:

1. Copy of a current resume.
2. Documentation that the applicant feels would be important to the Board in the selection process.
3. Full name, address, email address and telephone number where you can readily be reached.
4. Provide a statement on why you want to be on the Board, including your ability to fill the requirements as a Board Member as stated in the EUWA By-laws.

Please send this information to Carol Ann Anderson, EUWA Secretary/Treasurer at the following email address by **NO LATER THAN DECEMBER 21, 2023**.

Treasurer@eastsoundwater.org



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Procedural Considerations and Suggestions

Procedural considerations if the election is overturned

- The EWUA Board will have three out of seven board members until a new election is concluded.
 - Jim Nelson – Vice President
 - Ron Claus
 - Mike Cleveland
 - The bylaws require a board of seven directors.
 - Article VI.A.b. “The Board shall consist of seven (7) directors.”
 - The bylaws only provide for an election at the annual meeting which has traditionally been held every November.
 - Article VI.A.f “Elections – At least two (2) and not more than three (3) Directors shall be elected at each annual meeting.”
 - The bylaws do not have any provision for the timing of a corrective election.
 - The Annual meeting was held on November 15, 2023.
 - After the 2023 election, Vice President Nelson took the role of President, Vice President, Secretary, and Treasurer, citing Article VI.E.c of the EWUA bylaws which only allows new officers to take office on January 1.
 - Article VI.E.c “At the first Board meeting following the annual meeting, the Board shall elect a President, Vice President and Secretary / Treasurer, from the Board membership, to serve for one (1) year commencing on January 1 of the next calendar year.”
 - State law RCW 24.03A.585(3) does not permit the president and secretary to be the same individual.
-

Suggested Procedural Directives

1. Within _____ (10 suggested) days of this order, EWUA will elect interim officers from the remaining directors until a new election is held. These officers will immediately assume responsibility in compliance with the duties for each office subject to the State laws and subject to the bylaws.
2. Within _____ (15 suggested) days of this order, EWUA will announce a new election and call for candidates who want to be placed on the ballot.

3. Within _____ (30 suggested) days of this order, an independent party, selected by the EWUA Board, will be charged with conducting the election and provided with the following:
 - a. A list of candidate names seeking to be elected who submitted their names to EWUA. EWUA will not filter the names except to verify that the candidates are Members or authorized agents on behalf of Members of EWUA.
 - b. A list of:
 - i. All Member names.
 - ii. The authorized agent's name for each Member.
 - iii. The email address for each Member.
 - iv. The snail mail addresses for each Member.
 - v. The account number for each Member.
 - vi. The tax parcel numbers associated with each Member.
 - vii. The number of votes each Member is entitled to.
4. Within _____ (40 suggested) days of this order, the party conducting the election on behalf of EWUA will produce and send a ballot to all Members to vote on for their choice of directors. The ballot will be sent by snail mail for the Members who have not provided an email address.
5. Each ballot will be unique and include the Member's name, the Member account number, the tax parcel numbers associated with that Member, and the number of votes that Member is entitled to cast.
6. The ballot will be secured such that only the Member and the independent election inspector can access the Member's ballot.
7. Within _____ (30 suggested) days of this order, EWUA will simultaneously provide any Member who asks for it the same information as provided to the independent party conducting the election, with the exception of the Membership's email addresses.
8. The ballot will allow the voters to select four directors for the four seats that were open or vacant as of November 15, 2023. The vacancy caused by the resignation on November 14, 2023 occurred prior to the annual 2023 meeting. Hence, as per the bylaws, the seat will be filled by election. Article VI.A.f of the bylaws is overruled for this special corrective election.
9. As there are no quorum requirements, EWUA will not cast any proxy votes on behalf of any Members in the election.
10. Within _____ (60 suggested) days of this order, the election for four seats will be concluded and the results announced.
11. The newly-elected members will be immediately seated.
12. Within _____ (10 suggested) days of the conclusion of the corrective election, the EWUA Board will hold an election of officers, and those officers will take office immediately upon being elected.

13. This special corrective election does not replace the regular annual November 2024 election and Annual meeting.
14. The two highest receiving vote recipients will fill seat 1 and seat 2 and have a term expiring at the annual meeting in 2026.
15. The third highest receiving vote recipient will fill seat 4 and have a term expiring at the annual meeting in 2025.
16. The fourth highest receiving vote recipient will fill seat 7 and have a term expiring at the annual meeting in 2024.
17. During the interim period, between this order and the seating of the members elected by the corrective election, the three-member Board will undertake only essential business which may include paying routine bills and revoting the sales of water memberships made between November 15, 2023 and the date of this order.