



Eastsound Water

Board Report for December 21, 2021, 4:00 PM

MINUTES EDITION V.2.0

Eastsound Water Users Association

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Minute Notes

Board meeting called to order at 4:05 PM, Tuesday Aug 17, 2021. Members present were Steve Smith, Scott Lancaster, Clyde Duke, Joseph Cohen, Tenar Hall, Scott Perryman and Jim Nelson. Special guest was Johnnie Welch.

Smith called to ratify the Board Minutes from November. Motion was made by Cohen and seconded by Duke. Nelson abstained from the vote as he was not at the last meeting. The minutes were approved as written.

Proposed Agenda

1. Billing Rates Discussion
2. Scott Perryman is stepping down: A new board member is needed.
3. Steve Smith has sold his building. Jim Nelson is offering up a parcel to support Steve.

Member Representative: An individual or legal entity who may or not be a member of the Association, but who is nominated to represent a member for the specific purpose of serving on the Board of the Association via election by the membership. A maximum of two (2) membership representatives may serve on the board at any one time (ex: OPALCO is a member of the Association. OPALCO may nominate an individual "X" to serve as its member representative.) A member representative so nominated must be approved by a majority of the Board before standing for election.

4. Vehicle Dead at age 22. Our Dihatsu Jumbo Mini has been retired as we take on East side systems. GM seeks advice to buy used or advance a fleet vehicle 12 months.
5. Normal Update

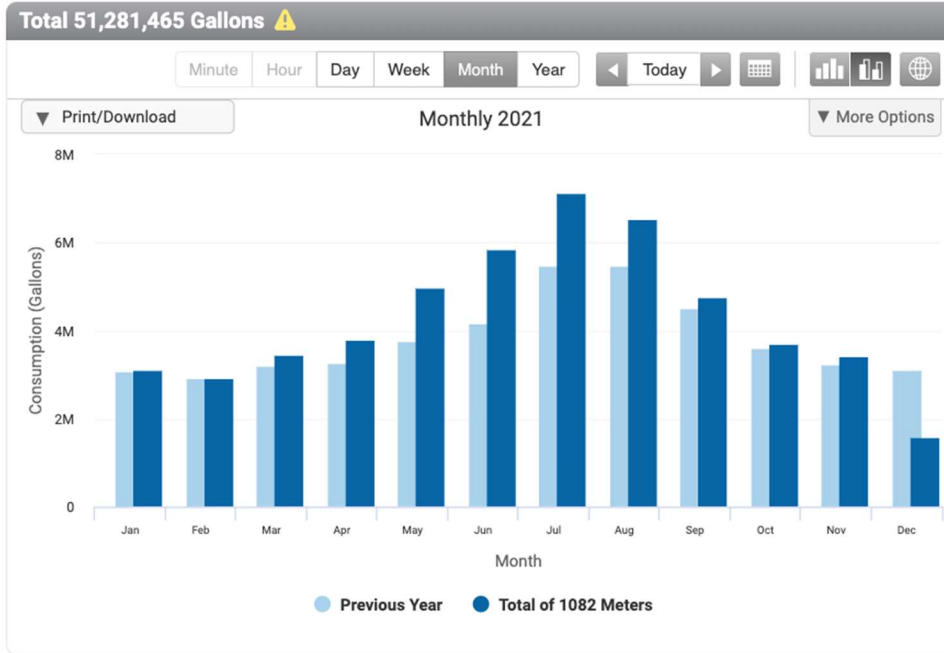
Minute Notes

Perryman has resigned. Johnnie Welsh has expressed interest as serving as an interim Board member.

Steve Smith has sold his building in Eastsound. The Board has nominated Steve as a member representative for Jim Nelson's property in town that is a member. Cohen makes nomination. Nelson seconded the nomination. Group approves the nomination. Smith abstained from the vote due to conflict of interest.

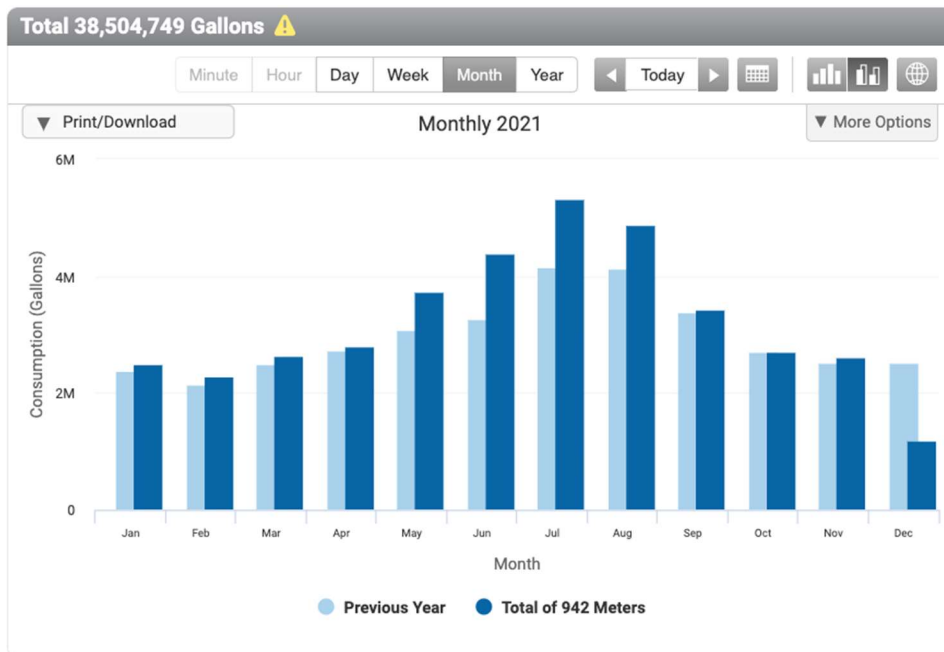
Duke makes motion to approve a new Toyota to advance the fleet vehicle plan. Unanimous approval.

Rate discussion took place for the bulk of the meeting. Burke/Smith displayed the rate model. The group then chose to reconvene on January 4th at 4PM 2022 to complete the discussion. New rates will be implemented in February 1, 2022.



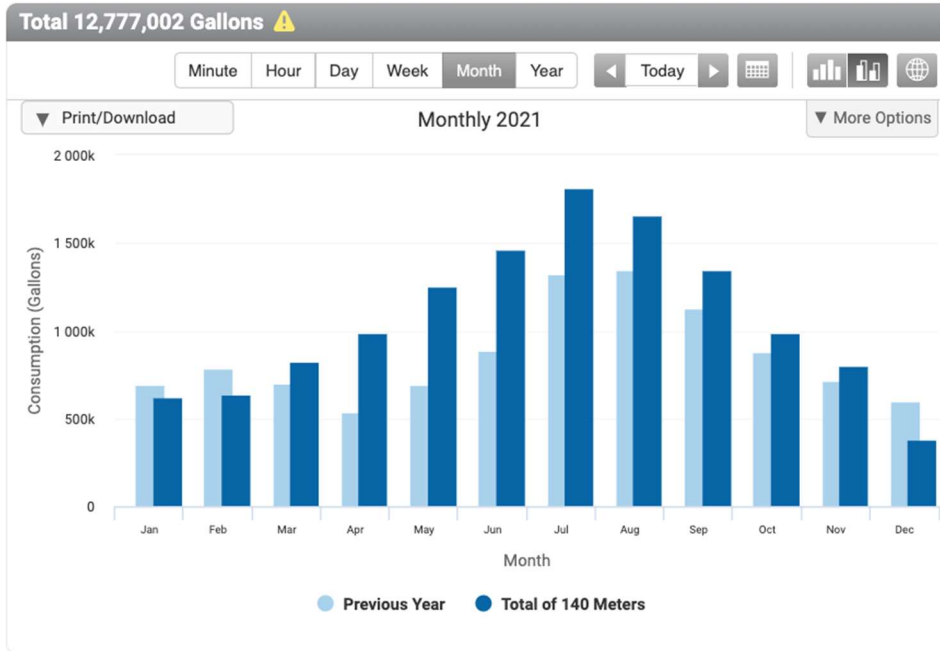
Residential Water Use

Month-to-Month Comparison of 2021 to 2020.



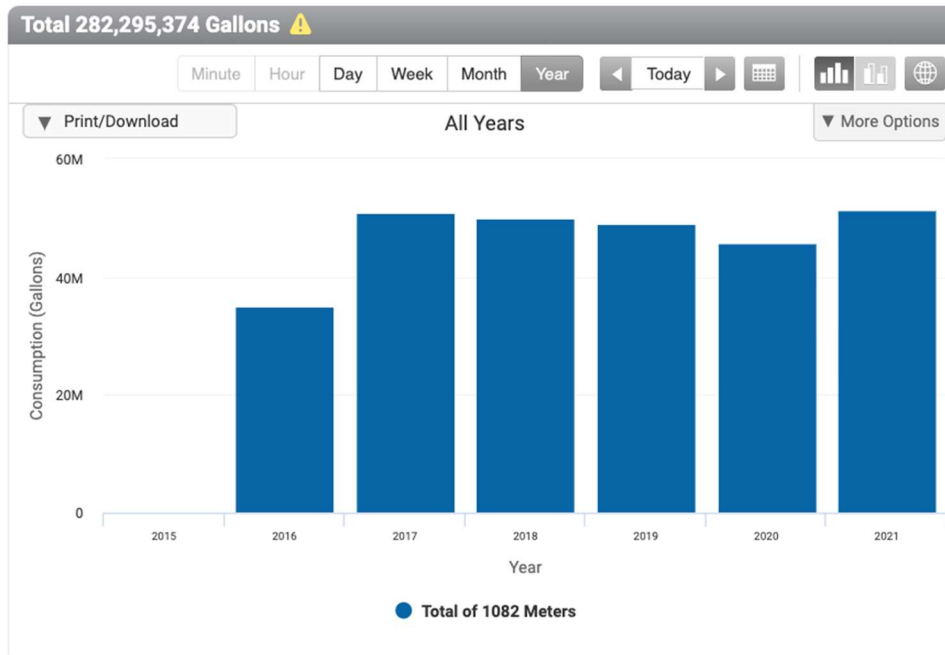
Commercial Water Use

Month-to-Month Comparison of 2021 to 2020.



Annual Consumption

Below is our yearly water consumption for reference.



Minute Notes

The O&M contract with OWUI has been distributed and reviewed by the Board.

- Time log
- Financial log

Lancaster makes the motion to authorize GM to conclude the agreement with OWUI. Duke seconds. The group passes the motion unanimously.

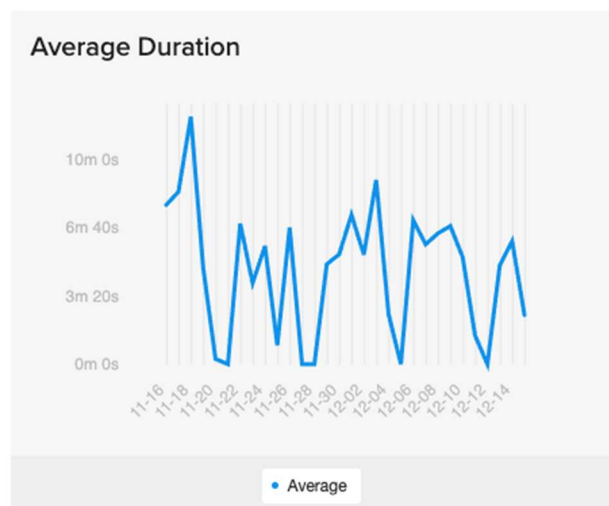
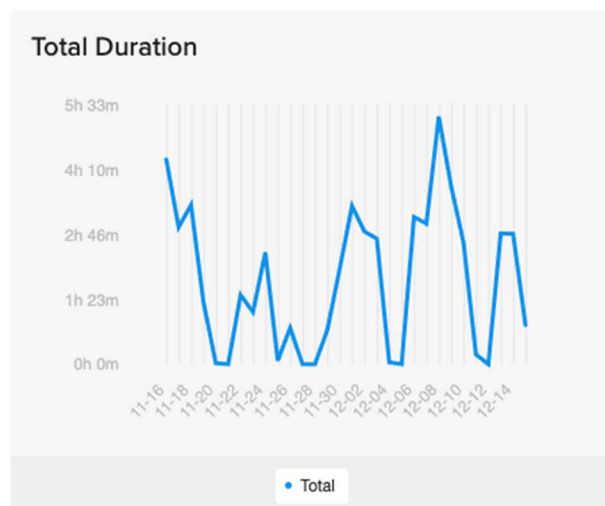
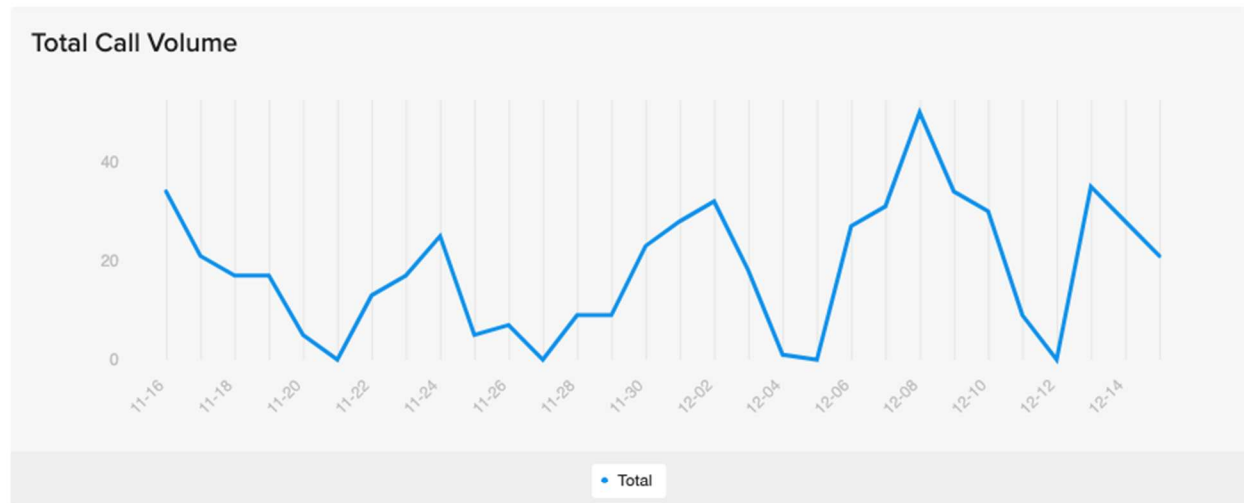
MEMBERSHIP

Call Volume

Below are the inbound and outbound call statistics for the past 30 days to give you an idea of the volume we receive, and the amount of time we spend on each call.

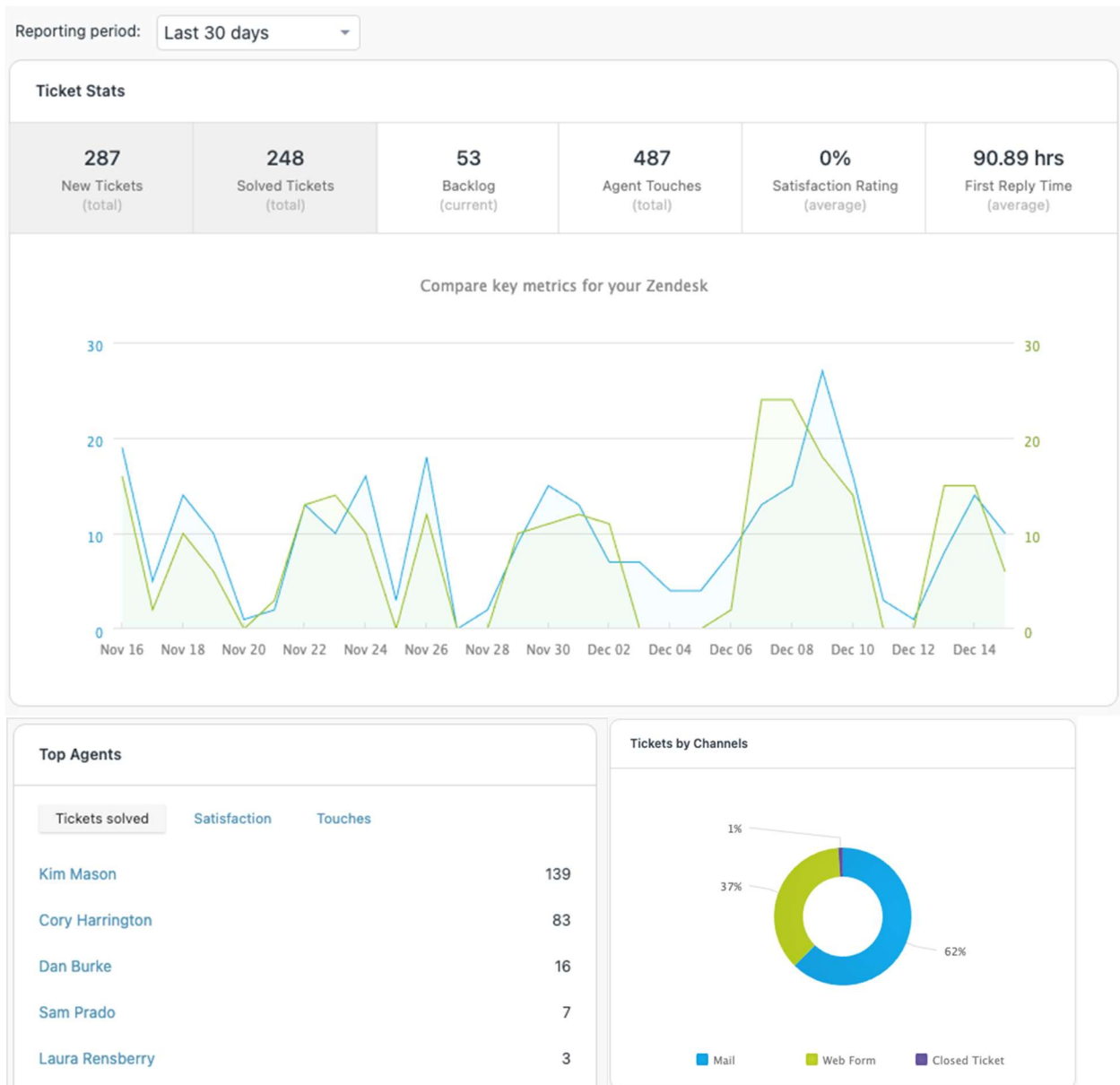
Summary Report

November 16, 2021 to December 15, 2021 ▾



Text Volume (Email/Webform)

We have access to data for all the inbound email and website form submissions we receive. Our ticketing system allows the team to track and manage inbound and outbound customer questions. Data for the past 30 days are as follows:



Membership Activity

New IU Sales:

No new membership sales in November.

IU Upgrades:

No new upgrade sales in November.

Hookups:

No new hookups in November.

Transfers:

Below are the transferred we recorded in Nov/Dec.

Date	Location No.	Service Address	IUs	Previous Member	Prospective Member
11/30/2021	04-0875	383 Prune Alley	1.75	Fire Hall, LLC	Midheaven, LLC
11/30/2021	01-0187	221 A Street	1.75	A Street Eastsound, LLC	Puget Sound Coop Credit Union
11/17/2021	06-1500	127 Montgomery	1	Robin Myers	Sisson, Riley
11/24/2021	04-1680	72 Urner Street	1	Martinez	Brownfield Humphrey Trust
11/30/2021	01-1325	89 Terri Lane	1	Vinson	Most Brock Living Trust
12/3/2021	06-1964	Lot 4 Feather Lane	1	Asia Eberle	Katherine Blaine
12/16/2021	08-1790	XXX Madrona St	1.2	Madrona Manor, LLC	Lanier
12/16/2021	04-0480	480 Madrona St	1.5	Madrona Manor, LLC	Lanier
12/03/2021	09-1935	95 View Haven	1	Sayler	Milholen

PROJECTS

Chlorine Generation

We only have one more hurdle to cross to get permission from the DOH to approve our plans to bring our new chlorine to system. Jolyn Leslie, our DOH engineer, has reviewed our plans produced by Gregg Bronn and sent back five questions that are relatively easy to answer. We are prepping our response now and should be approved shortly.

Clark Well

We have multiple fronts going with the Clark Well:

1) Water Quality Testing:

We need to redo our Craig Russel report of 2006. We have engaged a new hydro engineer and we have received testing protocol for running prescribed tests. We have power on the way to the site and are coordinating with Kevin Loomis and Jay Fowler to get a 3-phase meter set and

pedestal power at the site. Once we have hard power, we will conduct a 24-to-48-hour pump test to satisfy DOH, as well as to verify the flow and consistency of flow at full throttle. The question we want to answer is will this well pump 150 gpm consistently? If so, that's about 70,000,000 of water per year.

2) Wellhouse and Site Construction:

Currently both Wilson Engineering and HDR are submitting competing project spec and pricing to see who will win our bid. The project numbers from Wilson are about \$180k. We should have HRD's numbers soon. We will have a recommended bid for the Board to approve in January!

Water Service Plan (WSP)

Wilson Engineering was out last week to validate the final versions of our hydraulic analysis. We have looked at the output and it is impressive. We will have a full update on the analysis in January once they are complete with their latest updates.

Rehab of Wellfield 2 and 8 + 1R

We have begun the cleanup of wells 2, 8, 1 and 1R. This is at the intersection of Terrill Beach and Mt Baker Road. This site is owned by ESWD and is the home of the original well used to supply Eastsound with water.

We are undergrounding all wellheads, removing run-down structures, sealing the well caps, adding mission and well transducers to the active wells. We are about half-way done with this rejuvenation.

ADMINISTRATIVE UPDATE

Collecting AR in a Post-Covid World:

1. Water Consumption AR

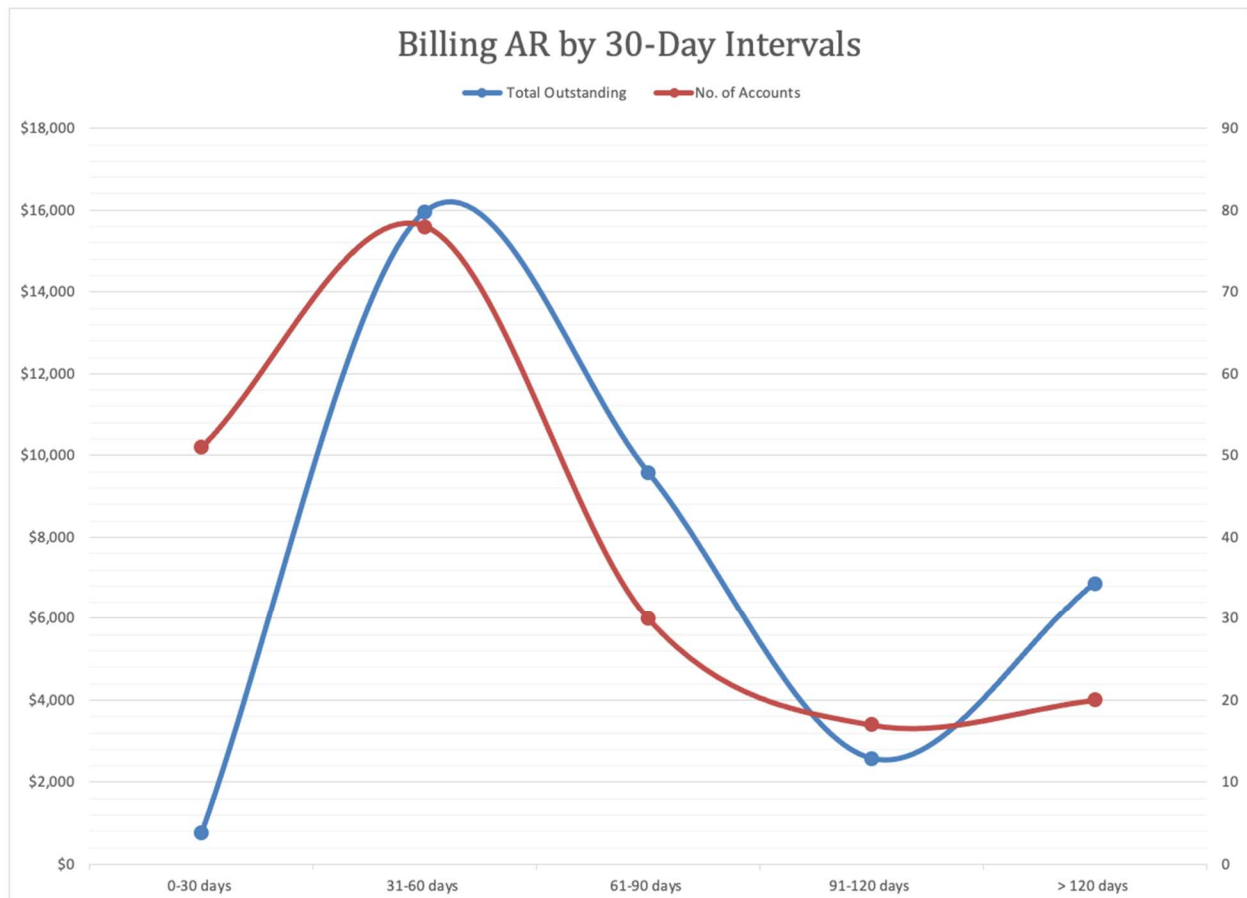
Below is a table of the amount of outstanding Water Billing AR we had as of December's billing. Last month Water Billing AR was a total of \$39,737. This month, the *total is down 10%, or \$3,946*, for a current outstanding balance of \$35,791. A policy-compliant regiment (late fees, phone calls, shutoff notices) has been in effect and has been working well to reduce this amount.

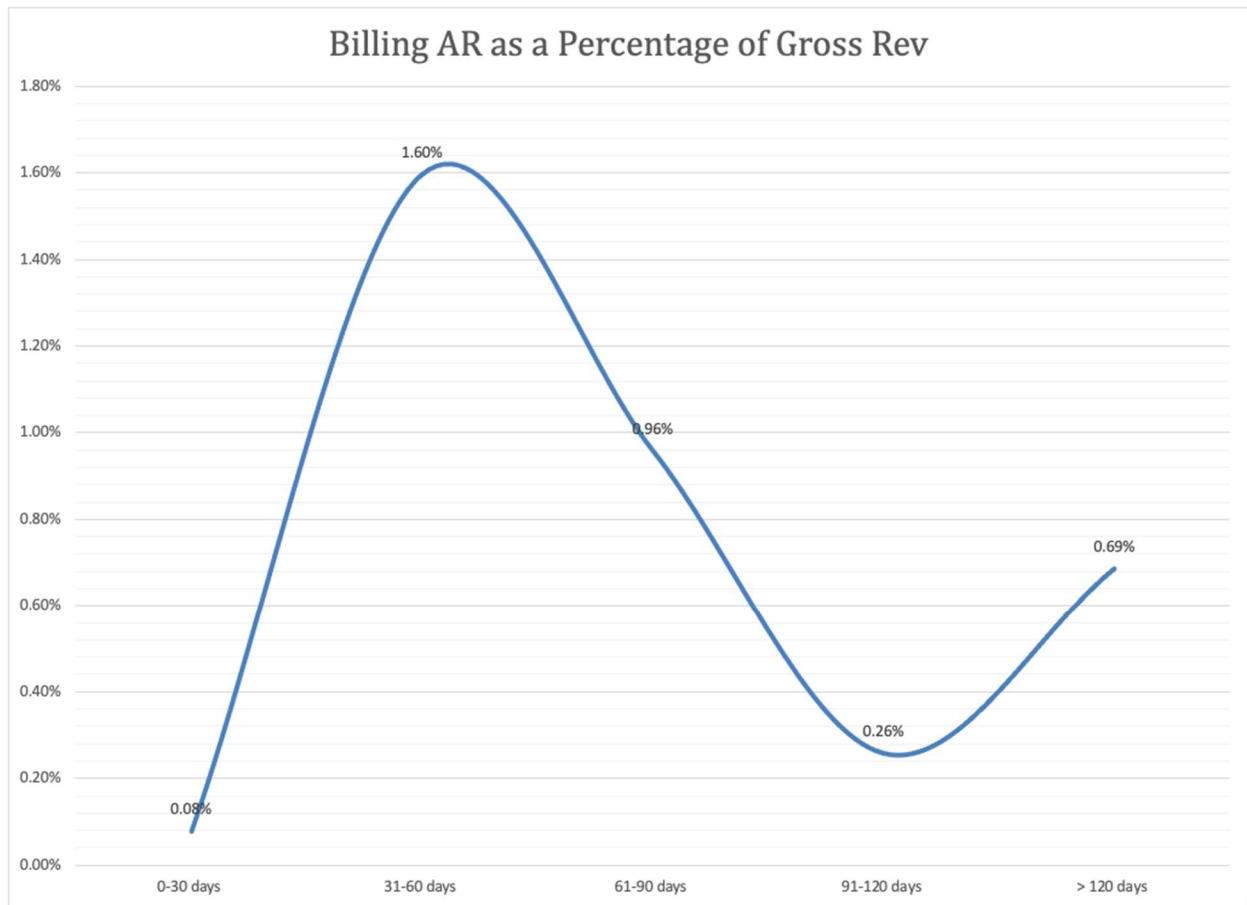
Segment	0-30 days	31-60 days	61-90 days	91-120 days	> 120 days	Balance
MU/MUD	204	-	4,576	-	1,670	6,450
RES ACTIVE + *Misc.	*25	7,878	469	1,480	3,095	12,923
RES ACTIVE Penalty	476	-	-	-	17	493
RES INACT + *Penalty	*68	912	570	-	-	1,482
NONRES ACT + Penalty	102	2,229	1,401	-	-	3,732
NONRES INACT	-	76	-	-	-	76
DIRECT BILL	-	-	80	-	88	168
19MONCONS	-	1,550	-	-	-	1,550
19QTRLYCONS + Deferal Pro	-	3,321	2,493	1,104	2,000	8,917
Total Outstanding	782	15,967	9,589	2,584	6,870	35,791

No. of Accounts	51	78	30	17	20	196
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Percentage of Gross Rev	0.08%	1.60%	0.96%	0.26%	0.69%	3.58%
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Avg Bill Per Segment	15	205	320	152	343	183
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2. Membership Payment Plan AR

Earlier this year we uncovered a list of members who had not made their Membership Payments from agreed-upon membership payment plans for several of the previous years. At this point, that entire amount has been recovered. There were 18 delinquent account and \$84,958 worth of outstanding revenue. That is all now in the bank and all members are current.

We have \$51,961 due in Membership Payment plan revenue on the books in 2022.

Office COVID Remodel

The COVID divider between the customers and our staff is looking good! We keep chipping away – and why do remodels never end? We should be able call it finished in the next 30-60 days as we finish up the last few details.



The main highlight of the customer entry is our employees' credentials. Here we have every cert operators have earned proudly on display.

Other System Discussions

DBWUA

DBWUA has followed through on the process they needed to take to have Eastsound Water take over for WaWater on January 1, 2022. Staff feels comfortable with the early takeover knowing Ted Wixom is onboard to ensure all training and handoffs go well.

Olga Water

The Olga Water Users Board met on Dec 7, 2021 at 5:00 pm. They have been working with Burke on a few minor edits that are not material changes. They will sign the agreement once I finalize updating their edits (email address, mailing address, contact info, etc.). They are eager for Eastsound Water to take on O & M services for them on January 1, 2022. The economics are as follows:

- Monthly Fee: \$4,600
- Upgrades if Needed Prior to Starting: Estimated +/- \$5k
- Membership to EWUA for us to serve you: \$2,500 (first year payment of \$14,500 payment)
- 6-week training prior to taking over on Jan 1: \$2,500

BOARD ACTION: Decide if we are willing to move forward with signing the agreement.

Spring Point

A third discussion took place in December with Burke and Cohen from Eastsound Water, and Geoffrey Hamill and Robert Spreen attended from the Spring Point Board. They remain interested in having Eastsound Water take over O&M services for them. Eastsound Water once again mentioned that we will continue to consider this proposition but made no commitments and set no timelines.

They did outline two key relevant items to consider before joining forces:

1. They currently have a flag by DOH to deal with excessive contaminants in their raw water source. They are working the problem with Wilson Engineering and hope to have a plan in place soon.
2. They have a long-term source problem and are looking for ways they can increase their water source supply either by blending their existing, never been used RO machine, or some other method. Wilson Engineering is helping them with this as well.

Washington Water

There is no new news from WaWa this month. Roy Stanton is out for the month of December. They have not called to ask for support so it appears they are handling the situation effectively.

Appendix A: Membership Request

None this month.

Appendix B: Financial Reporting Schedule

Quarterly Financial Reports

Q1: May Board Meeting

Q2: August Board Meeting

Q3: November Board Meeting

Q4: February Board Meeting

Year-End Financial Report

Presented at March Board Meeting

Two-Year Budget and Planning Reviews

FYs 2021 – 2022: Review at July’s 2021 meeting, review re-cast Operational and Capital Budgets

FYs 2023 – 2024: Review at October’s 2022 meeting, review Operational and Capital Budgets

Annual Revolving Items

Annual Insurance Review: December