

**Camano Water Association  
Annual Meeting Minutes  
November 2, 2019**

**Call to Order:** 9:30 a.m. by President David Weir

**Introductions:** Board members: President David Weir, Vice President (vacant) , Treasurer Richard Pelland, Secretary Danae Willson, Trustee Gael Fisk, Trustee Ron Cooper, and Trustee (vacant)  
Staff: Business Manager Lenore Heffernan, Operations Manager Dan Peterson, Office/IT Peter Turner, Office/IT Andrew Turner

Thirteen members attended; introductions were made – new members and familiar members attended.

Dave Weir recognized two board members who have resigned and moved out of the area – Vice President Lois Bloom and Trustee Michael James. We appreciate their dedicated service and conscientious leadership to the board and community. We are fortunate to have three members interested to fill the vacancies. The voting results will be announced later in the meeting.

**Guests:** Russell Martinson, CPA, Michael Dame, CPA with Terry Greer's office  
Greg Cane, P.E. Cane Engineering

**Approval of 2018 Minutes:** Danae reviewed the November 2018 Minutes noting the finances are secure. CWA is the largest system here which greatly helps with being able to self-fund the CIP. Eight years ago, Beach Drive was defined as needing the water line replaced and now it has been completed in 2019. The engineer's study of the age of the pipes throughout the system we are better prepared to plan future replacements. Our water production is in good shape with several well locations.

G. Fisk made a motion, and seconded by R. Cooper, and approved by all.

**Motion:** To approve the 2018 Minutes as written.

**Review Financial Report for 2019:** The financial report for the past year was given by Michael Dame, CPA. A Review was completed in 2018 following the Generally Accepted Accounting Principles (GAAP). Russell met with Lenore to review pre-selected accounting and banking items. Michael talked about financial health and operational health and the financial statements show this is working quite well. CIP is funded without debt because of the amount collected on bills which is set aside. The accounts receivable is very low. The CPA's recommendations for internal affairs are followed by the Business Manager. CWA has a minimum 10-year plan for CIP, diversified investments, and the board members have a clear vision for future needs and do a great job stewarding CWA. Michael and Russell were available for questions.

**Treasurer's Report:** Copies of the report were available for members.

Richard Pelland reported on the financial highlights:

The Holloway Lane and Beach Drive projects were completed in the first quarter; it ended on time and on budget of \$979,414. Of that amount, \$500,959 was paid out this year.

CWA strives to work within the established budget, but situations can arise that require us to exceed our budgeted limits for the good of the association: \$9,000 Tree removal and other work done at the Elhardt site to enhance security; \$6,000 Preliminary tree removal and infrastructure improvements at the main treatment plant and well fields; \$10,027 Engineering work and legal services in response to a new private well within our service area at Mountain View Road; \$53,143 Purchase of additional Double Check Valve assemblies to allow uninterrupted installations in 2020 and avoid price increases.

These costs have been absorbed from other budget areas or from our strategic reserves. It is appropriate to point out that CWA maintains a minimum cash reserve of \$200,000 to cover emergencies or unexpected expenses.

Additional costs for engineer planning, drawings and consultation on the modernization and expansion of the Bonnie Lane treatment plant were also required. This will be our major project for 2020 and is budgeted for \$525,000. This work will allow the plant to handle increased demand and output.

At the end of each month the Treasurer is required to review each expense incurred by CWA during the preceding month. All invoices, previously approved by the responsible manager, are reviewed and the treasurer verifies the details of the charges. All deposits and disbursements are reviewed and compared to the Heritage Bank Summary and CWA QuickBooks notations. Every expense is reviewed and approved in this process. All checks receive signatures from two authorized board members.

Summation: As Treasurer, I assure the membership that CWA work diligently within Accepted Accounting Practices as verified by our CPA. We monitor our investments and expenditures closely to ensure our business is run in the most efficient manner possible.

**Cane Engineering, P.E.** – Greg Cane presented information about the current status of the ageing pipe replacement in the system. The criteria obtained has been 1. Time sensitive with other construction, 2. Risk of property damage, 3. Ageing steel water main. The Bonnie Lane main transfer line will need to be upsized from 12" to 16" to allow for increased demand in the system. Greg created a color-coded map showing the age of pipe throughout the system and the type of pipe based on information from mapping achieve, plat construction, island county and other sources.

**Operation Manager's Report:** Copies of the report were available for members. Dan and Peter gave a presentation of before and after photos of various projects in the system.

Source – The water treatment plant extension project is in the final planning stage and will start in January 2020. The extension will add space to the rear of the building and move the chlorine pumps and generator, as well as the permanganate and pumps into their own room, with proper ventilation and floor drains to reduce corrosion to the filtration system inside the treatment plant. We will also be replacing the 60 hp transfer pumps to help keep us with increasing demand and upgrading some of the controls.

Storage – 63 trees have been taken down around the Elhardt reservoir and all eight-reservoir hatch covers now have alarms for security. Both the north and south reservoirs at the water treatment plant have been pressure washed inside and outside as part of our planned maintenance rotation.

Distribution – The Beach Drive water main replacement project was completed March 29. Out of the current 1,111 homes we serve, 422 double check valve assemblies (DCVA) have been installed since the program was initiated in 2016. 301,356 gallons of water was flushed in March from the system as part of our annual flushing plan.

General – There have been 17 emergency alarms from January to October of this year. Each one has been responded to by us and/or the Sherriff's Office.

**System Facts:** Peter Turner reviewed the CIP shown in the October newsletter. Working with Cane Engineering, the CIP for the next ten years will be the Bonnie Lane transfer line upgrade in 2025. Board members and staff periodically look at borrowing vs. self-funding and it has been to CWA's advantage to self-fund the projects. Peter showed different graphs used in reporting information for aquifer recovery, production in distribution, and financial reporting for water sales used for capital project planning. He prepares the Water Use Efficiency Report (WUER) and the Consumer Confidence Report (CCR) for reporting to the DOH annually. The reports are available on the website and at the office.

Andrew Turner walked through a brief presentation on water and aquifers. The presentation focused on the environment we have on Camano Island, and some of the factors that help determine aquifer health. Most of the information related to the differing kinds of aquifer, the fact that Camano Island is considered a single-aquifer area, and the substantial differences in time that it can take for an aquifer to recharge, depending on the permeability of the earth, and surface-level siphoning for animals and trees etc. While

much of the presentation did not really broach the subject of water supply as a business, the background information was used to reinforce the importance of consumer-side water conservation efforts – in large part because of both the inconsistencies of natural replenishment, and the fact this geographical area shares a single aquifer with a substantial number of consumers.

**Company Goals:** Danae Willson spoke about one of the goals – the Camano Island Water Systems (CIWS) forums held at the Camano Center in April and October, as an opportunity for many of the water systems to meet, share concerns and ask questions. Some discussions have been about Class A and Class B systems aquifers, total connections, water fees, billing method, CIP, water consumption, seasonal fees, charges for leaks and water loss, and base fees. A sampling of seven systems were reviewed from a questionnaire to water systems. Another meeting brought together community experts – engineers, County, State and USDA representatives, IC hydrogeologist, bank officers and water system management companies. There have been six meetings to date and each one has highlighted a different topic and guests. The goal is to continue and expand the efforts Danae and Jennifer Kropack (DOH) have coordinated to benefit the water systems.

The other goals are defining our asset replacement plan, maintain inventory, emergency preparedness, fire hydrants and valves, educate and inform members about how the rates are determined.

**President’s Report:** Dave Weir noted our engineer, Greg Cane, will be retiring in June next year and we are indebted to him and his two employees for their great service to us. They have provided information, system mapping and pipe statistics, engineered and planned several CIP projects to completion in a very professional manner. When the DOH provided a grant to CWA to participate in a Water Systems Cooperation Opportunity Feasibility Study, Greg’s office coordinated most of the study with grant writer Teresa Stover, Stover Writing Services. The report is on the website.

A well has been drilled within the service area and a new house was built on the property. We did not receive the Water Availability form. The board members had our attorney revise the Bylaws to prevent this from happening again. The DOH, DOE and Island County have been contacted regarding the well.

**New Business:** No new business to report.

**Election Results:** Lenore gave the results from the ballot count and a total of 92 ballots were received and G. Fisk was re-elected for a 3-year term. John Hale and Dennis Moraski were elected as Trustees for their first terms. Voting results are kept with the meeting notes.

Dave Weir	President	2021	Danae Willson	Trustee	2020
Gael Fisk	Vice President	2022	John Hale	Trustee	2022
Richard Pelland	Treasurer	2020	Dennis Moraski	Trustee	2022
Ron Cooper	Secretary	2021			

**Destroy Ballots:** G. Fisk made a motion. R. Cooper seconded the motion, all approved.

**Motion:** To accept the voting and then destroy the ballots per CWA’s Bylaws.

**Questions/Discussion:** Some members had the following comments and questions.

A member asked about expansion on CI – CWA could expand to the north and south with IC approval.

**Door Prizes:** Second annual giveaway with several items obtained with credit card points.

**Adjourn:** Dave Weir made a motion to adjourn at 11:22 am. The motion was seconded by everyone present.

**Reported by** L. Heffernan, Business Manager

Next Board Meeting November 19, 2019 Tuesday 3:00 pm