

LMCPC Monthly Board Meeting 07/23/2018

Board Members Present:

Jason Battles, President
Joe Connell, Water Chair
Barbara Garnish, Secretary
Kelly Russell, Treasurer
Julie Heimbigner, Trustee
Bjorn Nerseeth, Trustee

Board Members Not Present:

Jackson Beard, Vice President

Call to Order: Jason called the meeting to order at 7:06PM.

Approval of previous minutes:

Annual Meeting Minutes: The community didn't approve the 2017 annual meeting minutes at the annual meeting. The minutes will need to be approved at the next Annual Meeting with a quorum. The Board did not review the 2018 Annual Meeting minutes.

June Minutes: Motion to approve Bjorn; Kelly seconded. Discussion: Changes to the minutes were made during the meeting and included in the final version. Passed.

Reports:

Finance:

Julie moved to approve finances, Barbara seconded.

Discussion:

- Kelly commented, the capital balance is split over some CDs and a savings account. Kelly advocates delineating the monies according to their purpose, for instance capital dollars collected from the monthly service fees go into a bucket specifically for those funds. There was a comment that we need to maintain a certain capital balance for our loans.
- Barbara asked for confirmation that the monthly statement indicates we are transferring money *into* the capital accounts. We are.
- Kelly asked if Sue has a credit card (she does not) because we are reimbursing her expenses. We have 2 visas (Carl, Jackson).
- Kelly will take meeting minutes to Union Bank to get on as a signatory.
- Carl asked if we have an autofill account with Genesee propane. We do. Motion passed.

Jason mentioned David Irion forwarded us an audit engagement letter for our USDA loan. Kelly will investigate the letter and what we need to do.

Water System:

- 1) [Proseal](#) tank: Joe said the cost to repair the existing roof tank has not changed. According to the [Proseal](#) supplier, the construction firm's ([Carbon River Builders](#)) bid indicates they are not interested in doing the job.
- 2) Joe received more information about doing a 'liquid metal' rehab on our existing tank. The cost is prohibitive (over \$200,000). Joe did not pursue a quote because it would be over the cost of a new tank.

Reviewed Slides from Joe:

- Slide 2
 - Joe believes [Carbon River Builders](#) doesn't want to do a tank rehab or roof repair because both would be a small job for their firm.
 - Ron Asmus (45) asked if we can go to another area or work with another firm. Joe said [Carbon River Builders](#) covers WA and OR.
 - Joe's understanding from the annual meeting is the community doesn't want to spend funds to repair the tank and then replace the tank.
- Slide 3
 - Joe heard from [Baker Silo](#) and our engineer that we have ~ 18 months on our existing tank roof. The engineer thinks the chances of tank walls failing are lower than a roof failure.
 - There was discussion about the location of the property line on the south side of the treatment plant fence. If the land is owned by someone other than LMCPD there could be issues of setback for the proposed location for the new tank.
- Slide 8
 - Site prep and Engineering are the same cost for the options listed so Joe removed them from the slide comparing the tank quotes.
 - Joe said the biggest design flaw in the existing tank roof is it is flat which allows freeze thaw cycle.
 - The proposed steel tank is primarily bolted together on site rather than welded on site.
 - The engineer says maintenance will be the differentiator in the tank choices (concrete vs steel).
 - Joe and Kelly talked about exterior tank coatings. The [City of Carnation](#) does not coat the outside of their tanks. They clean and check the inside of the tanks every 4 years.
 - Kelly asked, would concrete tank help the pH of our water more than steel? Joe said yes, but concrete will adjust the pH on a slower basis. If a concrete tank contributes to the buffering of the water, it may contribute to the aging of the tank by leaching calcium from the concrete. We are already adjusting the pH with the soda ash system, so the addition of the concrete tank will not change the pH much.
 - Julie asked if the steel tank company has any water system customers? Joe said they have installed tanks on the eastern side of Washington for farms. They are installing a very large tank for a water customer in CA. Julie wondered why a water system would choose a steel tank. Joe said [Baker Silo](#) does build welded steel tanks but they see concrete as much more competitive in the 100,000-gallon range.
 - There was discussion about the size of the tanks in the [City of Carnation](#) water system.

- Jason asked about earthquakes. Joe said engineering in this region will address seismic issues. We will have higher foundation costs in this region because of seismic engineering.
- Joe investigated the purchase of an emergency tank. It is not very expensive (\$4,000 for a 10,000-gallon tank) but we would have to store it. We could make a modification to the system to leave the plumbing to hook up an emergency tank.
- Someone asked if the cost of tearing down the existing tank needed to be considered in our planning. Could we use the existing tank structure to house an emergency plastic tank?
- Barbara asked about the engineering cost included in the bids. Joe said the costs are for the engineering of the tank and do not include engineering for connecting the tank to our system, the foundation for the tank, or the control systems.
- Slide 9
 - Joe is not sure if a spray-on liner is possible with a corrugated steel tank. If it is, he would recommend it instead of the plastic liner. Kelly asked, what [SprayRoq](#) made of? Joe said it is NSF 61 certified. Joe prefers to not use plastic liners because we don't know what is leaching out of liners. We do know calcium is leaching out of concrete tanks.
- Slide 10
 - We cannot claim an emergency status with the [Department of Health](#) (DoH) because we don't have a failed system. DoH said they would expedite our permitting process to a month or less.
 - [Paradise Estates](#) in Ashford WA did private funding. Rick Galvin with Paradise Lake Estates water system found residents love options in choosing how to fund the project.
 - The total cost for the project should to include the tank, engineering, permitting, site preparation, costs for any demo or changes to the existing tank, backup tank(s) if needed.
 - Ron Johnston-Rodriguez (112) asked about the total cost so we can have 1 number to take to the community.
 - Kelly and Joe described the long-term capital plan they want to put it together.
 - Ron Johnston-Rodriguez (112) said the loan rates for a bank loan was about 7%. Kelly said USDA would be much lower than 7%. Ron said it was a good opportunity for the board to gather more information about loan options. Our current loan delinquency rate is 2%. Ron said under 15% would be great for this project.
 - Someone suggested a roof over the existing tank. Perhaps putting the thinnest coating on top and then but a roof over top? Joe said we would still have the freeze thaw cycle on the top. And, if we put concrete on the roof it still must be an NSF 61 certified vendor which is [Carbon River Builders](#). Someone suggested if we have a roof over it and some air flow then it might be help us forestall failure until we can build the new tank.
 - Todd, our Engineer from [Northwest Water Systems](#), advises (and Joe concurs), we should skip the repair and try to get the tank built. But, we must get going on the new tank soon.
 - [Baker Silo](#) will built a concrete tanks year around.
 - Joe secured a 1 month promise for the permitting. Biggest item is financing.
 - Ron and Joe will meet with Rick Galvin of Paradise Lake Estates to discuss the process of doing private funding.
 - [Northwest Water Systems](#) can ramp-up and get going in 3-4 weeks. Todd has bandwidth to do this project in September. Todd is now the president of [Northwest Water Systems](#).
 - We need to work out the financing options for private financing.

- Someone asked if there are there concerns about multiple funding sources? Kelly said if we set aside funding as required by our existing loans then USDA doesn't care about other funding sources.
- Our current funding need is anticipated at \$160,000. The remaining 40,000 will be for cost overruns and capital planning.
- Tom Sinclair (194) said he likes the idea of giving choices to residents. Some residents might want to pay their whole amount up front which would lower the loan amount. Joe said could we take the reserves we have minus the reserves the USDA requires us to keep on hand plus any resident one-time payments to fund the project. Kelly said there are no concerns about residents choosing different funding options for the tank.

Vice President/Community Resources:

- Jason read in Jackson's notes:
 - “Sand was delivered on the 16th. It was 5 yards this time, for a price of \$330.86 delivered. I spread it around some and let the kids take care of the rest. It looks good.
 - There was a large amount of trash, which I picked up, and some graffiti on the picnic tables Ben Parrish made. It will need to be sanded and re-stained. The very next day after a large amount of trespassers, the trash was back.
 - To that end, Sergeant Barton has been asked to step up trespass emphasis, and he has agreed to do so. He drives an unmarked car but will be in full Sheriff uniform. He is going to be issuing criminal trespass warnings and citations where appropriate for criminal activity by trespassers. He is also aware of concerns regarding criminal violations at the Airbnb property.
 - I asked Sue to post a warning on the Facebook about trespassing, and two people suggested they should be able to have their guests swim unattended. No response was necessary, the rule has been there for decades. The Deputy isn't going to arrest legitimate guests, they will be warned.
 - I had a loooooong conversation with Alan Sit, the owner of the Airbnb. I delivered our concerns in a tone that he could not mistake. The letter is on its way, and he will review it with his management company and get back to us. I would like to table this subject for the next meeting, as I have some ideas about direction. At this point, I await a written response. In the meantime, Mr. Sit is aware that our residents will call 911 for any and all violations of the law, including the King County noise ordinance.
 - I await input from Carl on the security lighting at the treatment plant, which I still want to replace with LED motion lights. I need to know which lights are still wired to switches or power.
 - On the subject of the tree removal quote someone was kind enough to provide, I don't have any problem removing trees that pose a danger to the property of others. It would be my preference that the board be approached directly in a meeting rather than being provided a quote with an opinion. We have an arborist we use and have a proven record of diligence on the subject.”
- Julie noted there wasn't any payment to the deputy in June. Jason agreed and said he has asked at the swim lot and there has been very few sightings of the deputy. Someone saw the deputy at the lake on a Tuesday afternoon. Julie said paying for Tuesdays at 2PM is not a good use of money. Someone patrolling sets the right tone for the swim lot. We need to have more patrols when it works for us, not for them. We need some regular rhythm to patrols. So far, we have paid \$1,000

for security this fiscal year. It would be nice to have a marked car on patrol. Having the deputy show up when it works for them doesn't really work for us.

- The board has had requests from 4 different residents to install a portable restroom (aka Honey Bucket) at the swim lot. Kelly said it is \$130/month for a portable restroom. There was discussion about if this is something the Board should do? If so, when? Memorial Day through the end of September? The board is gathering feedback reviewing options for next summer.
- Airbnb: the discussion was tabled for next meeting...But there was some commentary. Bjorn said, everyone who rents the Airbnb has a large groups and they are all on vacation. Big groups and events are the problem. The owner lists the property as appropriate for 16 or more people. Julie is concerned about waiting a month to hear more from Jackson. Bjorn asked about the timeline for Jackson to address with the management company. Joe said DoH doesn't have jurisdiction over this issue, but King County would have an issue with overwhelming the septic system. Someone said we need to start a track record of complaints to the Sherriff. When we complain to the deputy there is no feedback to the owner. We also need to register complaints on the Airbnb site. Someone asked if we need to make an amendment to the Bylaws to address Airbnbs because there will be more of them in the future. Jason will contact Jackson about timeline. Someone commented the volume of additional traffic is ridiculous. If we want to try and stop Airbnbs, we need to do it now before there are more Airbnbs on the lake. Gerry Brazile at King County Code Enforcement should be able to assist with the septic system overwhelm concerns. Do our bylaws support preventing Airbnbs? Do we need a professional interpretation of the Bylaws?
- Jason received a question from a perspective homeowner about trailers. We discussed the Bylaws relevant to trailers.

President: No Report

Watershed: No Report

Secretary:

- Does the board want to have a slack or MS Team like system? Would a centralized tool make it easier for the Board to keep all documents and conversations in one place? Barbara and Jason will try out MS Teams.
- Barbara reported we have final minutes for 2017. Julie asked about minutes for meetings before 2017. Sue will find her minutes for her time as the Recording Secretary. Barbara will reach out to gather other previous minutes. We need to collect all the minutes back to 2015 before the next board meeting.

Webmaster/Website:

Website – Sue is asking the webmaster for more links on the website to presentations and meeting minutes. She is also asking our webmaster to fix the board emails. Our is hosted for a monthly fee. Updates to the website are \$60/hr. and most updates take less than an hour.

Firewise wants to come out to do a presentation on Aug 13th at Duvall Fire station at 6:30 PM. This is not an LMCP event but can be included in our newsletter.

We are planning an Annual picnic on September 8th. Joe will plan to do tours of the water system.

Sue said we need to have the next newsletter done by end of July. She asked what she should include about the rate increase? When we communicate the rate increase in the newsletter, we need to discuss the 5 options at the same time, so it is clear what we are looking into as part of the plan. Someone suggested putting a financing plan on paper and then 'pressure testing' it with some residents to see what other questions they have. The board plans to have a draft for the newsletter by next Monday, July 30th or meet again to put a draft together. Sue noted, we have a page on website with fees and it will need to be updated.

Employee Group: No Report

New Business:

- Someone asked what was happening on lot next to Baer's Lair? Someone else commented there is a county easement issue.
- Kelly said Bill Kreutzberg (187/8) had a tree person out and asked them to quote removing trees on the treatment lot. Jason recommended having a risk assessment for all LMCP lots. Joe asked how expensive it is to do an. Jason believes we should have an objective assessment based on a system rather than a homeowner-driven removal plan. The Board will add an assessment plan to our 20-year strategic plans.

Adjourn: Bjorn moved, and Kelly seconded. Passed. Adjourned at 9:53 PM

Next Meeting: Monday July 30th at 7 PM if needed or Monday August 27th at 7 PM.