

Annual Shareholders Meeting Minutes

- 1. Call to Order and Introductions:** Chris Richards called the Annual Shareholders' Meeting of the Camano Cooperative Water & Power Company (the Cooperative) to order at 3:00 pm. Trustees present were Chris Richards (President), Paul Weisse (Vice-President), Shirley Chapman (Secretary), Lena Omnell (Treasurer), Trent Lowe, Brian Bowden and Virgil Fernandez. Chris introduced staff including Deb Howard (Office Manager), Lee Caskey (Office/Accounting Assistant), and Sarah Cookston, as well as Ryan Wynn of Water and Wastewater Services (W&WS). Dale Buys of Reichhardt & Ebe was unable to attend.
- 2. Special Recognition:** Volunteers Kevin King has helped with documenting our assets and Paul Williams continues to do our fire hydrant maintenance. Chris introduced each of the trustees and took a few minutes to share the contributions of the members to the Coop and thanked the Camano Chapel for the meeting space.
- 3. Water and Wastewater Services (W&WS) Annual Report:** Ryan Wynn of Water and Wastewater Services introduced the W&WS Office Manager who works directly with the Coop. He referred to the W&WS report in the annual meeting packet mailed to each shareholder. The total water production was 34,914,569 which is approximately 178 gallons per connection per day. Water quality was good. Projects accomplished were Rozeway booster station, Cove Place phase 1 water line relocate, replacement of booster pump motor at Monticello Booster Pump Station, installation of Mission SCADA systems at Lost Meadows and Weston. The Weston Generator will be in service by year end.

There was a lot of maintenance in the past year. There were only two meters replaced due to COVID-19. There were fifteen leak investigations with five main leak repairs. There were seven new meter installations, one blow-off replacement, and one valve replacement. Goals for the year were to explore the source of the leaks and reduce water loss. W&WS is working with the engineer on system upgrades and establishing long term infrastructure management priorities.

Dan Anderson asked about the water loss factor and if it is going down. The loss factor was down to 26% last quarter, but it is still about 1 million gallons per month.

Mike Pritchard asked how we are tracking water loss. We know how many gallons are released from the reservoir and how much water is metered giving the amount of water loss. We are experimenting with meters that more closely measure the water used to see if we can find the source of the loss. Ryan explained the hiring of a leak detection company to look for leaks in the system. They found no major leaks so there was no smoking gun found but we continue to look for the source of the loss.

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Dan Anderson noticed from the newsletter that some shareholders were using more water than others and wanted to know why. Chris explained about the tiered rates for higher usage. Dan wanted to make sure the shareholders understand that water is not limitless, and conservation is important. Susan Main asked why farmers should be penalized for using more water. Deb let her know the farms we provide water to are not in the top tier of water usage.

- 4. Engineer's Report:** In Dale Buys' absence Chris referred to the engineer's report in the packet and then turned over the details on projects to the project managers.

Dan Anderson requested a copy of the hydrologist's report. It will be provided to him. Trent Lowe explained the process of selecting a new well site. We started with sixteen locations and narrowed it to four or five possible well sites. We then gathered data from those to determine the best location for a new well. The Brennick site was selected because we already have an easement and the infrastructure to support the well is already in place. The aquifer is at 300' and saltwater intrusion/evaluation will still need to be investigated prior to a final decision being made.

Patricia Fay commented what a good job the contractor did on the Cove Place main replacement.

- 5. Adoption of the Financial Statements:** Lena Omnell thanked Deb, Lee, and Sarah for such an outstanding job on the financial records this year. She explained there were no financial statements due to a turnover in staff at the accounting firm we use. They assured us the statements will be done in time for our annual tax return. In place of the financial statements a Balance Sheet was presented. The financial position of the Coop is very good and for that we should all be grateful.

Lena walked us through the rates and anticipated increases:

- The rate for water is tiered increasing with consumption - not to increase revenues but to encourage conservation.
- \$4 increase for operations and maintenance was implemented starting October to keep up with inflation.
- \$10 increase will begin in April for capital projects for improvements to the system. We take in about \$220K per year for improvements and this will not be enough to cover the 15,000 feet of piping that needs to be replaced. Therefore, we will need to look for additional funding through loans or grants.

Lena addressed our current loan status:

- Loan #1: \$260K has a balance of \$60K and will expire in 2026.
- Loan #2: \$195K has a balance of \$75K and will expire in 2027.

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- c. Loan #3: \$538K has a balance of \$350K and will expire in 2034.
- d. The Coop will need to borrow money to complete the Cove/Manaco /Finch / Hansen project. We are updating the 6-year water system plan to a 10-year plan in preparation for loan application. We are looking to apply to the State DOH and with the US Department of Agriculture for loans and will also explore the possibility of infrastructure money earmarked for upgrading small water systems.
- e. The Finance committee investigated earthquake insurance and decided the price was too high and came with many exclusions. At the time of a major event federal recovery funds become available.

Dan Anderson asked the price of a new share. Lena advised the current price of a new share is \$15,350. The price is reviewed annually and utilizes a formula suggested by our financial consultant and approved by the DOH to determine the price.

Lena asked for a motion to approve the balance sheet. Dan Anderson moved to adopt, and Kevin King seconded. The motion was approved unanimously.

- 6. Adoption of 2019 Annual Meeting Minutes:** Sixty-four (64) shareholders and thirty-six (36) proxies were recorded so the Cooperative was able to conduct business.

Shirley Chapman presented the minutes prepared two years ago and asked if anyone wanted the five pages read aloud. No corrections were noted. Shirley asked for a motion to approve the minutes. Ginger Desy moved to adopt the minutes and Susan Main seconded. The motion was approved unanimously.

- 7. President's Report:** Chris asked the chair of the capital committee, Brian Bowden, to present the capital projects the Coop is addressing or have completed.

- a. Brian explained the collaborative way decisions are made with input from board members, our engineering firm, and Ryan of W&SW.
- b. Brian referenced the Indian Beach improvements from a few years ago. Replacement of 1,500 lineal feet of line and replaced 4" PVC pipe with 8" PVC pipe.
- c. There have been several immediate issues that have needed addressing.
- d. The Rozeway pump station has been completed and is operating as designed. This has increased the water pressure to the affected homes. Thank you to the Desy's for the easement allowing the pump station to be installed.
- e. Brian walked the shareholders through the five stages of the Cove/Manaco/Finch/Hansen project. 1,500 lineal feet of pipe need to be replaced. The first stage is

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completed with the replacement of the main on Cove Way Place from S West Camano. This was completed under bid at \$70K. The next phases of Manaco Beach Road, Cove Way to the Finch/Hansen inter-tie are currently estimated to cost \$750K. The Cooperative will be seeking financial assistance in the form of a low interest loan or grant money. There have been several line breaks on Finch. The final two areas, Manaco to Finch and Finch Way and Extension to Hansen would be financed by quarterly capital improvement funds. Easements would also need to be secured from property owners.

- f. The shareholders were polled as to their preference for the time for the annual meeting. Currently the bylaws call for the meeting to be held at 3 pm on the third Saturday of November. It was agreed to amend the bylaws and change the time to 10 am. A special meeting will be called for at 10 am on the date of the annual meeting next year and a vote taken at the meeting to change the time then cancel the regularly scheduled 3 pm meeting.

8. **Questions and Discussion:** Kevin King and Mike Pritchard asked about the cost of easements. Brian said there were some costs involved in acquiring easements and that is why the committee looks at several different options to find which is the most cost effective.

Garold Steed asked if it is possible to have your own well within our water district. Chris explained the decision is with Island County. In most cases the County prefers property owners hook up to an existing water system in their area. There have been a few exceptions with the agreement of the Cooperative.

Dan Anderson commented the Cooperative is within a geological boundary and you can't do anything with water without our approval and we can't control water outside that boundary.

Bonnie MacPhail asked about a development going in near her home. The project is Harper Hills. They have made an engineering deposit toward the DEA (Development Extension Agreement) Ten homes are platted and they are working on their permit.

Chris was asked about the developers of a 26-home project who approached the Cooperative seeking water service. The development is outside the service area of the Cooperative. The annexation and engineering costs would take funds away from scheduled projects within our jurisdiction. The Cooperative declined to annex the development.

Bert Brunzell asked what the water pressure is supposed to be. His is 65 psi. We have a

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requirement from the DOH to meet 30 psi. We just put in the booster station on Rozeway to meet that requirement.

Garold Steed asked about the hardness of the water. The state does not require the Coop to address the hardness of water. Individuals can purchase a variety of water softening systems to install in their homes.

Bonnie MacPhail asked if the board members are paid. Chris advised the compensation for officers (President \$600, VP \$300, Secretary \$200, Treasurer \$200, and Capital Chair \$200) and the stipend of \$30 per meeting attended. This is paid quarterly.

Trustee Election: Chris noted there were four positions open this year. Due to Covid-19 no election was held in 2020. Therefore, two positions will be for two years. Shirley Chapman, Position #2 and Lena Omnell, Position #5 will not be running for reelection. Brian Bowden, Position #3 and Chris Richards, Position #6 will be seeking their position for three-year terms. Kevin King has been volunteering on projects over the last two years and will be seeking position #2. No candidate came forward for Position #5. Chris reminded those voting that write-in candidates were also acceptable. The election was held and each of the incumbents were re-elected, and Kevin King was elected to the open position #2. Chris reminded everyone there are always volunteer positions available and encouraged involvement.

While the votes were being counted Chris talked about the meter replacement program and encouraged shareholders to look at the two samples of meters currently being used. The brass meters are slowly being replaced by Kamstrup plastic meters. The Kamstrup meters are a little more expensive but last much longer and give us far more information. Chris also answered the questions posed in a quiz about the Cooperative handed out at the beginning of the meeting.

Todd Brown asked if we have any lead pipe in the ground. Ryan said at one time lead pipe was allowed but we don't believe the Cooperative has any lead pipe still in service.

New Business: Gerald Steed asked where the fire hydrants are and why 8" line to them? We have a map of the location of fire hydrants, but it is not online. The fire department also has a map of our hydrants. The 8" line meets current engineering operating standards.

- 9. Adjourn:** Bonnie MacPhail made a motion to adjourn the meeting with a second from Wendy Weisse. Camano Chapel was thanked for hosting our meeting. All business before the shareholders having been completed, Chris Richards adjourned the meeting at 4:45 PM.

Camano Cooperative Water & Power Company
November 20, 2021
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Respectfully submitted,
Shirley Chapman
November 20, 2021

These minutes were adopted unanimously and with minor changes at the November 19, 2022 Annual Shareholders' meeting. I have reviewed and approved this final version of the minutes of the November 20, 2021 annual meeting of the shareholders of the Camano Cooperative Water & Power Company

Chris Schubert

Nov 19, 2022

President

Date