



## SCOTT LAKE MAINTENANCE COMPANY

### BOARD OF TRUSTEES

February 19th, 2026

6 pm – 8 pm

Zoom and in the Community Center

Called to Order at 6:12 pm

Roll Call – Board of Trustees Present:

- Eric Riffe • Tom Culleton • Theresa Parsons • Judy Zygar • Jim Johnson • Julie Orcutt
- Tom Friedrich

### Pledge of Allegiance

### Adoption of Agenda:

President

**MOTION:** Eric Riffe moved, and Theresa Parsons seconded, to approve the agenda as amended: add Executive Session to discuss legal matters. The motion passed unanimously.

Eric stated he needed to add another item to the agenda.

**MOTION:** Eric Riffe moved, and Theresa Parsons seconded, to approve the amendment to the agenda as follows: to add an item to consider the purchase or rental of a stuffer/folding machine for bulk mailing. The motion passed unanimously.

### Minutes Approval:

President

**MOTION:** Theresa Parsons moved, and Tom Culleton seconded, to approve the minutes as amended, adding that there are two events on April 18th: the SLMC Spring Fair and the Boat races. And clarifying who each event is sanctioned by: The boat races and all associated activities are fully managed and insured by NABA, and the other events that are part of the Spring Fair are sanctioned and insured by SLMC. The motion passed unanimously.

### Community Member Comments:

Dennis Caines:

The boat races and spring fair are on April 18<sup>th</sup> at the park. The car show will be organized and managed by the designated team. The Sheriff's Department will have a presence at the event, and the Fire Department will be displaying a vintage fire truck. A bounce house will be available from 11:00 a.m. to 3:00 p.m. and will be staffed by a Scott Lake resident.

The SLAMS Club will operate the concession stand and has made all necessary arrangements. Sarah noted that \$500 has been allocated for the event. Ten reusable signs have been prepared with the date left blank so they may be used annually. Dennis will be responsible for setting up the sandwich board signs prior to the event and removing them afterward.

Theresa Parsons introduced Alaine Schumann, who will serve as the nonpartisan Election Supervisor. In this role, Alaine will ensure that the ballot-counting process is conducted fairly and free from outside influence. No members of the Board will participate in counting the ballots. However, Alaine has sought, or will be seeking, volunteers to assist with the count. Diane Schwieket has agreed to assist, and Judy has reached out to Joey and Barb Viola, who have also agreed to help as needed. Elaine will identify at least one additional individual to assist with the counting process.

Theresa informed Alaine that there will be two separate ballots: one for the election of candidates and one for the budget. We appreciate Elaine's continued support and commitment to the community.

Eric inquired about the outcome if the two ballots received different numbers of votes, for example, if one ballot received 126 votes while the other received only 110. Theresa indicated that she will consult the parliamentarian for clarification but believes that each ballot must independently meet quorum requirements. For instance, if the quorum is 125, a candidate ballot receiving 126 votes would meet the quorum and pass, while a budget ballot receiving only 120 votes would fail to meet the quorum and therefore would not pass.

Alaine would like to have the previous year's ballots shredded at the Annual Meeting. She will get with Penny and go over what supplies will be needed for the meeting.

Mariner:

Game Night has been a great success, with the next event scheduled for March 20th. It has been wonderful to see families come together and build connections within the community.

To ensure the facility remains in good condition, cleanup must be completed immediately following each Game Night. Last month, the space was rented the following day, and the renters had to clean the facility before use, which we would like to avoid in the future.

### **Old Business:**

Folder/Stuffer Machine – Eric

The machine can fold and insert a document, along with an additional insert, into an envelope, or be used solely as a folder without the stuffing function. The cost of the folder-inserter is \$144 per month, while a standalone folder is \$69 per month. Both options are offered under a lease agreement.

If billing operations are brought back in-house, a machine of this type will be necessary to efficiently manage the workload. The lease includes monthly service and maintenance, ensuring that any issues are promptly addressed and repaired at no additional cost.

**MOTION:** Julie Orcutt moved, and Jim Johnson seconded, to proceed with a six-month trial of the folder-stuffer machine. The motion passed unanimously.

## **New Business:**

### Telemetry for Water System – Theresa

We received a quote from Advanced Electronic Technologies (AET) for approximately \$101,280 to replace our aging, unreliable telemetry system. The various components of the water system must communicate effectively to operate properly. For example, reservoirs need to signal the pumps to turn on when water levels are low and to shut off once they are full. This communication must occur between the upper and lower reservoirs, the booster station, and the wells. Reliable coordination between these components is critical to maintaining system functionality.

Our current telemetry system is outdated and no longer repairable. The proposed system is designed to integrate with future infrastructure, including any new wells or upgraded components, ensuring long-term compatibility and reliability. This SCADA (Supervisory Control and Data Acquisition) system will also enable computer-based monitoring and control. It will enable operators to visually track water levels and make adjustments as needed—for example, increasing pump activity during higher-demand summer months or reducing it during lower-demand winter periods.

Additionally, the system includes an automated alarm and notification feature. In the event of a malfunction, such as an overflow or a failure to activate, a call or alert will be sent through a designated contact list until someone responds. This will reduce reliance on nearby residents to report issues, although we greatly appreciate the assistance the Caines have provided in alerting us to past problems at the middle reservoir and booster station.

is another problem with the trees because it is a radio call, and the trees tend to interfere with cell service.

A poll vote was conducted to approve entering into a contract with AET for this system, and it passed unanimously. We will proceed accordingly, using funds currently in savings from the PFAs settlement to cover the cost of this project.

### Budgets – HOA & Water – Judy

We currently maintain a total investment balance of \$2,367,450, allocated across three reserve funds: the SLMC Operating Reserve Fund, an additional Operating Reserve Fund for contingency use, and the Water Reserve Fund. Of this total, approximately \$2,000,000 is held in the Water Reserve Fund, \$270,000 in the HOA Reserve Fund, and an additional \$201,000 in the Operating Reserve Fund.

We will have a meeting with our investment company and our CPA on March 23rd at 11:30 am to discuss our tax liabilities and how to set up our financials.

It is important to understand the balances in our investment accounts, particularly as we begin to utilize some of these funds. Over the past several years, we have built up these reserves, and we are now in a position to use a portion of those funds.

In addition to our investment accounts, we maintain six savings and checking accounts, allocated between HOA and water operations. Funds designated for the water system must be used specifically for water-related expenses, such as pump replacements, meters, and other system components. A portion of operational costs associated with the office and community facilities may also be allocated to the water system, as these functions support its operation.

We have previously been advised that assessments collected from the community are non-taxable when held within a capital reserve account. Accordingly, we maintain a dedicated HOA Capital Reserve Fund. This fund supports common community assets outside of the water system, including the park, community center, bridge, and other shared facilities.

To ensure long-term financial stability, we allocate reserve funds to both HOA and water capital needs and invest them accordingly. Through these investments, Judy and our investment firm have generated income; however, our previous accountant advised that this investment income is taxable. As a result, the earnings are transferred to a separate account to enable proper tracking and reporting for tax purposes.

We allocated \$50,000 from operating funds last year for restroom replacements and have discussed setting aside an additional \$50,000 for this project. This combined funding will allow us to engage professional services to develop design plans, prepare cost estimates, and navigate permitting requirements.

Completing this initial phase is essential before moving forward with construction. The design, engineering, and permitting process is a necessary step and represents a significant portion of the overall project cost, but it will ensure the project is properly planned and executed. We have two budgets. The finances have been reconciled through February, which puts us 83% through the budget year. We have last year's budget, actuals, the percentage of the year we are at, and our projected budgets for next year.

This is a preliminary budget that covers both business operations and common areas, excluding the water system. Tonight, we will review and discuss the line items to prepare a proposed budget for next week. We need to adopt the draft tonight and distribute it to the community.

We will notify the community about the April 7th meeting, where they can comment on the budget and meet the candidates. Then, at our board meeting in April, we will finalize and adopt the budget.

The budgets will be sent out along with the candidates' bios. Community members will be able to vote for the candidates and decide whether to accept or reject the budgets. If a quorum votes and the majority of that quorum rejects the board's adopted budget, the budget will revert to last year's. Conversely, if the rejection does not reach the majority threshold, the budget adopted by the board will move forward. This voting will take place at the annual meeting on May 9th.

#### HOA Budget:

Our starting HOA operating fund balance consists of the amounts in our operating checking account and savings account, totaling \$125,988. In summary, we have sufficient funds to supplement our projected collections from assessments and other programs, ensuring this budget is viable.

All line items were reviewed, and one of the main topics we discussed is that this budget includes hiring a part-time person to assist in the office. If we plan to bring the billing back in-house, we will require additional support. This staffing will also ensure the office is covered during the Executive Secretary's vacations and meetings, ultimately enhancing service to the community.

It's important to note that this will entail additional expenses. Unlike in the past, when many people volunteered, the current landscape is different; people's lives have changed, and volunteering is less feasible. Moreover, we do not want to rely on volunteers for office staffing.

We aim to create a paid position that we can depend on and oversee, which is reflected in this budget. The Board reviewed both the income and expenses for the HOA budget.

We should also review our phone system. It's worth considering switching to a computer/internet phone service instead of using a traditional landline. Additionally, we need to verify how our Brinks alarm system can integrate with this internet phone service and determine what steps are necessary to make the transition. The \$30,000 in the capital line item is for the HOA common areas, and these monies are designated for the repair of the trail bridge.

#### Water Budget:

Our starting balance for the Water Operating Fund is the total of the Water Operating checking account and the Water Savings account, totaling \$328,171.44. Additionally, we have a balance of \$134,336.93 in the Water Reserve account. The projected income for the water budget includes revenue from Water Assessments, reserve assessments, the cell site, water service fees for new construction, and \$114,240 in grant funds from the Department of Health (DOH) for the EC-SDC program that we applied for. We expect to hear back soon on whether we will receive the grant for the hydrogeological analysis and design of new wells to replace the currently used wells due to PFAs in the system.

All line items were reviewed, and one of the main topics we discussed was the Professional Service Expenses. The total for the Professional Services expense line item is \$428,240.00. This amount includes the following:

- \$100,000 for PFAs treatment, which covers the costs for new wells, a hydrologist, and an engineer.
- \$300,000 for engineering services related to the Phase I Distribution System replacement.
- \$8,100 for the Small Water System Management Plan.
- \$20,140 for any miscellaneous expenses that may arise.

#### Fee Schedule:

We have eliminated several fees that we no longer charge, as they were based on Northwest Water. We also adjusted the fees for both water and the HOA.

**MOTION:** Theresa Parsons moved, and Judy Zygar seconded, to adopt the draft budget to the community for our April 7<sup>th</sup> Town Hall meeting as amended through this discussion. The motion passed unanimously.

Judy, Penny, and Theresa will pull out last year's PowerPoint presentation, clean it up, and send it to everyone for comments.

#### Committee Reports:

##### Events:

We have the Easter Egg Dash on April 4<sup>th</sup>, Easter Breakfast on April 5<sup>th</sup>, refreshments at the Town Hall meeting on April 7<sup>th</sup>, the Hydroplane/Spring Fair on April 18<sup>th</sup>, Game Night on the third Friday of the month, and the Kids Fishing Derby on May 30<sup>th</sup>.

##### Water Committee:

Already discussed water during the budget discussion.

Finance Committee:

Already discussed water during the budget discussion.

Architectural:

The new modular home has been delivered to Vantage but has not been assembled.

Compliance:

I took pictures of a property for a compliance violation.

Communication:

The website is up and functioning again.

Governance:

Money has been included in Professional Services to assist in the cleanup of our Bylaws.

Parks and Rec – Jim

The bathrooms will be open from May through the beginning of October. We need to establish who will be responsible for opening and closing them. From Monday to Thursday, the maintenance team will open the bathrooms, and Jim will lock them up in the evening. We also need to determine who will open the restrooms on Fridays, Saturdays, and Sundays.

7:47 PM went into an Executive Session to discuss legal issues.

8:12 PM: Returned from the Executive Session. This session provided information on the lien process we are following, and we will proceed with the attorney's recommendations.

Meeting adjourned at 8:19 pm