

London Water Cooperative

Meeting

February 26, 2026

7:30 p.m.

Present: Eric Vortriede, Jen Vortriede, Vicki Whisler, Maria Dietrich, George Estes, Diana Hawkins, Gayle Kahane, Alice Nowicki, Ken Schwieger, Alaine Lewis, Jon Woodward, Sandy Woodward, Kevin Brown, Mary Jackson, Randy Jackson, Carrie Tennison, Steve Tennison

Call to Order: by President Eric Vortriede at 7:32 p.m.

Agenda Review and Approval:

Eric reviewed the agenda and asked for approval. Randy moved to approve the agenda, and Carrie seconded. The agenda was unanimously approved.

Approval of Minutes from May 14, 2025 meeting:

Eric asked for a motion to approve the minutes, which had been previously distributed. Randy moved to approve the minutes, and Carrie seconded. The minutes were approved.

Treasurer's Report:

Vicki Whisler reported on the finances of the water co-op as follows:

Last year (2025) we spent \$15,973.67 operating the old water treatment plant, delivering 1,041,630 gallons of water. We took in \$13,795.81 for a net negative cash flow of \$2,177.86.

As of 2/9/2026 we had \$1773 in overdue accounts. So, if everyone was paying their bills, we would still be operating in the red.

Our current bank balance is approximately \$33,000, which includes \$4,000 of contributions (donations) toward the new water treatment plant.

The new water treatment plant is funded largely by a grant of \$766,544 of which we have already spent \$743,039 leaving \$23,505. We anticipate that we still have \$65,829 outstanding, which after the remainder of the grant funds are applied leaves \$48,360 outstanding. We need to keep \$15,000 in the LWC account to cover operating expenses, which gives us \$18,000 of LWC funds on hand that can be applied to the new plant plus \$6032 that we have already applied, leaving \$23,324 outstanding.

This outstanding balance for the new water treatment plant will be divided equally between all 24 connections. So, \$972 per connection. Eric is arranging for a financing option that he will describe in the new business section.

Old Business:

Vote for Secretary

At the last meeting, Eric Vortriede had said that there would be a formal election for Secretary at this meeting. Randy nominated Jen Vortriede, who has been serving as the Interim Secretary. There was no opposition.

New Water Treatment Plant

- The engineering design was completed by RH2 Engineering.
- The Saunders Company was selected as the prime contractor through a closed bidding process.
- A packaged pump station was purchased from Precision Pumping Systems in Idaho.

Rate changes – have been studied and will be discussed under New Business.

New Business:

Eric Vortriede read his Prepared Statement as follows:

Accounts Receivable (AR)

We have an over 90-day AR balance of \$760 and total late AR of \$1580. That's almost 10% of our expenses from last year and is not sustainable. We have tried to practice compassion with respect to collecting overdue AR balances, but we find ourselves in an untenable position now since our reserves are critically low. We are running out of flexibility. So, we are going to need to get more aggressive in collecting outstanding AR balances. Sadly, the only lever that we have is shutting off water. Operating strictly by the rules, once a shutoff notice has been issued, the connection **MUST** pay the total AR balance to avoid shutoff. If water is shut off to a connection, the entire AR balance is due, along with a \$20.00 reconnect fee. What we have done in the past is allowing a partial payment to avoid a shutoff or turn the water back on, and we have never collected a reconnect fee (to my knowledge). Moving forward, we will be enforcing the letter of the law. That is to say, if you receive a shutoff notice, you will need to pay your entire balance in order to avoid a shutoff. If your water is shut off, you will need to pay the entire balance, plus the \$20.00 reconnect fee to get your water turned back on. We reserve the right to be more flexible on a case-by-case basis, but it will not be LWC policy to do so.

New Rate Structure

Even if we had collected the full \$1580 AR balance last year, we still would have operated in the red by over \$500. So, we didn't bill enough for the water that we produced last year. We should be operating at a modest surplus, not in the red. So, we need to make an adjustment to the rates that we charge. We have studied this in detail and have determined that the current rate structure, apart from being inadequate to meet our needs, is quite unfair. We are implementing a new rate structure that is based on two factors that will be adjusted quarterly. The first factor is a fixed amount to cover the fixed expenses of operating the water treatment plant. The second factor is a price per gallon of water used. The plan is to review and adjust these factors quarterly. We are starting out with a \$35 fixed minimum and \$0.014 (one point four cents) per gallon. Unlike the previous rate structure, the minimum does not include any water. Everyone will pay \$0.014 per gallon for every gallon used. This formula will overall be much fairer for everyone. Many of you will be paying less per month, and some of you will pay more (it is a rate increase after all). One other change to the rate structure involves co-op volunteers. For those who consistently contribute to the operation of the co-op, we have always had the practice of supplying their water for free. We are changing that practice to now give a discount to co-op volunteers. Moving forward, co-op volunteers will be billed the same rate as everyone else, but with a 50% discount. The new rate structure will be implemented for the March billing cycle and will appear on the April invoices. Information about this new rate structure was mailed today to members and renters.

Automatic Payment Fee Waiver

Another related change that we are making is that for anyone who opts in for automatic monthly credit card payments, we will waive the convenience fee. We hope that this will make this feature more popular. More information on this option will be provided later.

New Water Treatment Plant (WTP):

Construction Delays

The new WTP should have been completed in late November/early December; however there have been numerous delays. First of all, permitting by the county took over a month longer than allocated in the schedule. We actually started construction before we had permits to try to mitigate the damage. The next major schedule delay came from Precision Pumping Systems (PPS), from whom we bought the pre-packaged pump station. They were originally supposed to deliver the pump station in early October, but it was not delivered until the end of November. In early December, we then told EPUD that we were ready for

them to hook up the electricity, but they didn't come out until January 28. That put the ball back in PPS' court, who were informed on February 2 that we were ready for them to come out and start up the plant. Starting up the plant includes repairing a number of mistakes that were made in constructing the pump station. They sent out a tech to have a look at everything that needs to be done last Friday, February 20. They are supposed to come back to do the repairs and startup on (we don't know yet). Once the startup has happened, we will be able to chlorinate the new tanks, which will take a couple of days, and then fill them with water from the new plant. Then, finally, we can let you all have a clean drink.

Certification Pending

We will, as soon as the new plant is up and running, serve the community from the new plant; however, technically, we're supposed to certify the plant beforehand. We're not going to wait because we know perfectly well that the water from the new plant will be far and away cleaner than what the old plant is capable of producing.

Cost Overruns

As Vicki reported earlier, we had a grant for \$766K+, but we are projecting that our expenses for the new plant are going to be a little over \$48K over that amount. I don't want to get into the sources of the cost overruns right now (I'll make full disclosure for the entire project once it is complete), but here is how we are planning to cover the cost overrun. LWC has \$21K that we can put toward the overrun, and we have had \$4K in donations toward the new plant construction. That will leave just under \$24K, which will be covered by a line of credit (LOC) belonging to one of the co-op members. That \$24K (about \$1000 per connection) will need to be paid back by the co-op membership within a year.

Time Payment Plan

We are providing a time payment plan to help with these payments. Each connection will be charged the same amount, which can be paid all at once or in 12 monthly installments or some combination. The line of credit charges interest (about 7%), which needs to be paid as well. So the sooner a connection is paid for, the less interest will be paid. If a connection pays less than the monthly charge, the interest will compound. In any event, full payment will need to be made within 12 months of the start of the billing. Note that this fee will not be included on any renters' invoices. Property owners of rental properties will be billed separately. For connections that are billed for both water and line of credit payback, the invoices will show the balance, the full payoff amount and the monthly amount to pay off within the 12-month period. If extra is paid, but the balance is not paid off, the monthly amount will stay the same, but the balance will be paid off sooner. If less than the balance is paid, the monthly amount on the next invoice will increase such that

the full balance will be paid off within the 12-month period. The total on these invoices will be the combined water usage and monthly payment toward the LOC. If less than the full invoiced amount is paid, whatever is paid will first be applied to the LOC payoff, and anything remaining will be applied to the water charges. So, if a connection is trying to pay for just the water portion of their invoice, they will end up falling behind on their water bill and could get into a shutoff situation. Information about the Line of Credit reimbursement was mailed to all property owners today.

Payment Assistance Programs

In the past, there was a payment assistance program called the Low Income Housing Water Assistance (LIHWA) program, which was administered by Community Sharing. Sadly, that program has been discontinued. We learned about this discontinuation after mailing letters to the membership earlier today. We are trying to identify any other programs that are available for assisting those who are having problems paying for water. We will keep you informed if and when we locate any such programs.

Questions and Comments from membership:

Steve asked what's left to be done on the new water treatment plant. Eric said that contractors from The Saunders Company were working on some connections today, including repairing a leak in the raw water line. Gravel has been delivered for backfilling, and the contractors will be grading the lane that leads to the plant. If Precision Pumping Systems makes their repairs and gets the plant started up, we're in business. We're very close, but we don't know when they'll be coming. We were told two weeks, but we don't really have a firm date. They won't get paid the final 10% until it's hooked up and is running.

Randy asked about the dam. Eric said we got a new cover on the dam, but it needs a lock now.

We only needed to put fencing around the new tanks. They're poly tanks and are not steel.

Randy asked about the old plant building. The way the new plant is set up is to let the raw water gravity feed from the dam, through the filters in the old plant, which will clean the water up some; that water will be stored in the old tanks. Then, the new plant will take the water from the old tanks and will run it through cartridge filters. That water will be stored in the new tanks; that cleaned-up water will be delivered to the community. This process will help to increase the longevity of the cartridge filters in the new plant.

Randy had some questions about the filters for the new plant. Eric explained that there are two types of filters: the first is a large five-micron filter, and the smaller one is an LT2 sub-micron filter.

Randy said he noticed from the pump station documentation that it is climate controlled. Eric said that it has a mini-split system to provide both heating and air conditioning. All of the electronics are completely contained in a well-sealed area, which is also climate controlled. Everything in the pump station is very high quality. Virtually everything is made in America.

Steve thanked George for being the plant operator, and everyone concurred that we are all grateful to him. Many people thanked Eric as well for everything he has done over the past four years.

Adjournment:

A motion was made to adjourn the meeting by Randy. Carrie seconded. The meeting was adjourned at 8:13 p.m.

Minutes respectfully submitted by Jen Vortriede, Secretary, February 26, 2026