

## **THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES**

**June 9th, 2020**

The Three Lakes Water Association Board of Trustees held their June 9th, 2020 Board Meeting at 7:00 p.m. in a virtual setting utilizing phone and webinar technologies. The Association website and Facebook page requested members who wished to address the board to inform the staff of their concerns so staff could report them to the board.

### **Call to Order**

The meeting was called to order at 7:00 p.m. by President Bob Bartell. A quorum was satisfied by other Board members in attendance: Vice President Jay Klicker, Treasurer Tyler Eshleman, Secretary Matt Mead, Trustee Don Kemmis, Trustee Ray Cox, and Trustee Doug Knorr. Trustee Chad Davis was unexcused.

**Members, Guests & Employees-** Engineer Rodney Langer of CHS Engineers, and staff member Kaila Klicker were present. Renee Clarke, acting as recording secretary, was present.

**CHS Engineers' Report-** Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on June 8<sup>th</sup>, 2020. Highlights of the monthly CHS report are summarized as follows:

**Flowing Lake Park Water Service-** Rodney reported that in the past he had reviewed a proposed easement form desired by the developer, Snohomish County, which includes significant conditions that place unnecessary burden upon Three Lakes Water Association. The Association's Developer Extension agreement requires and includes an example of an easement form that is acceptable to the Association. Rodney had discussed the Association's authority to enforce the easement form acceptable to the Developer's Extension agreement with the Association's attorney and manager. Rodney informed the developer that the Association reviewed their easement form and concluded that it is not acceptable. The developer requested a word copy of the Association's easement form so they could make minor tweaks to the language on the form. Once the county submits the easement form back to the Association Rodney will review it to ensure any changes made are acceptable.

**48<sup>th</sup> St and 177<sup>th</sup> Ave SE Water Main Potential Project-** At the last board meeting the board verbally agreed that staff should move towards permitting on this project. Staff will review draft project plans when applicable and schedule more potholing work to obtain information necessary to move towards permitting.

**Other Services-** Rodney met with staff to discuss the new fiscal year budget draft and supported staff in the development of the draft.

## **Manager & Cross Connection Report**

Staff member Kaila Klicker presented a summary of the manager report, which was e-mailed and provided to the Board on June 4<sup>th</sup>, 2020. Highlights of the monthly manager report are summarized as follows: Staff is continuing to monitor the current COVID-19 pandemic and modify staff operations as needed to keep staff safe and the Association operational. Staff will continue to monitor communication coming from authorities having jurisdiction. Manager Kemmis contacted PumpTech, Inc. to discuss a leaking seal on the pump at Booster Pump Station #1. A company representative agreed to come observe the pump and determine whether the leaking seal was an issue related to previous work performed by their company. The representative asked if they could remove the pump and take it to their shop for further diagnosis. The pump was removed and taken to their shop for diagnosis and repair. The issue was repaired by PumpTech and the pump returned on June 8<sup>th</sup>, 2020. The pump is now functioning normally and fully operational. A new service was installed in the Panther Lake Ridge development on May 13<sup>th</sup>, 2020 by Association contractor Puget Sound Tapping Services. Staff worked to create a new template for shut off notices because the new version of billing software, El Dorado, no longer has an internal template for the notices. The new template is now being used and will be the standard form going forward. On June 1<sup>st</sup>, 2020 staff produced shut off notices for members whose account balances were equal to or greater than the new shut off threshold amount of \$350.00. Staff called each member who was mailed a notice as a courtesy and helped some make payment arrangements. Out of the twelve members mailed a notice, all of them made payment arrangements or paid online. Staff has worked to test, understand, and integrate new final bill and share transfer processes. The new processes utilize functions in the upgraded billing software and is an improvement. The new processes were put into place on May 28<sup>th</sup>, 2020 and will be used going forward. Each staff member was scheduled to attend virtual trainings in June to obtain CEUs necessary to maintain certifications with the Department of Health. Maintenance was performed on all Association fire extinguishers by Evergreen Fire & Safety on May 21<sup>st</sup>, 2020. Everett Safe and Lock performed maintenance for the Association.

## **Approval of May 12<sup>th</sup> Board Meeting Minutes**

*Motion made by Trustee Doug Knorr to approve May's Minutes, seconded by Vice President Jay Klicker. The motion passes.*

## **Officers Reports**

**Treasurer Report and Pay Bills-** The financial report was prepared and distributed to the Board summarizing the financial position through June 9<sup>th</sup>, 2020 (attached). Total funds on hand are \$1,407,922.42. One transfer was made for \$30,000.00 to cover the bills from the KeyBank account. Reports were provided for the past month's expenses, prepaid invoices, and payroll summary. Checks were presented to be signed once authorized by the board.

**Current Financial Info**  
General Funds- \$385,630.88

Capital- \$914,911.28  
Reserve- \$107,380.26  
Total Expenses- \$52,079.11

Monies were transferred to both Standpipe, Pump House and Mero restricted accounts.

*Motion made by Secretary Matt Mead to approve payment of the bills as presented, seconded by Trustee Don Kemmis. The motion passes.*

**President-** Bob reported that he reviewed the fiscal year 20/21 draft budget and discussed it with staff. He signed a check to transfer Paycheck Protection Program funds for the month of May. He also signed share certificates and checks for bills due before the June meeting.

**Vice President-** No report.

**Secretary-** Matt reported that he signed share certificates and checks for bills due before the June meeting. At the last meeting Matt informed the board of his plans to sell his property within the Association. He provided a letter of resignation for the officer position of secretary to staff today. Staff read the letter to the board. The letter informed the board that Matt is resigning from the officer position of secretary but will remain a board trustee until his property closes. The board thanked Matt for his many years of service. President Bartell verbally accepted the letter of resignation for the secretary position on behalf of the Association.

## **Old Business**

### **No Old Business**

## **New Business**

**Fiscal Year 2020/2021 Draft Budget-** Staff met with Rodney on May 14<sup>th</sup>, 2020 to discuss the new fiscal year 20/21 draft budget. Staff then worked with Rodney to create and review the draft budget. It was then provided to President Bartell by staff for review and comment. Staff emailed the draft budget to the board on June 2<sup>nd</sup>, 2020 so they could review it before the June meeting. The board discussed the draft budget. Staff recommended that the board authorize and accept the draft budget before the beginning of fiscal year 20/21, which begins on July 1<sup>st</sup>, 2020. The budget will then be a draft budget until the time the board accepts it as final, which is required to occur by December.

*Motion made by Vice President Jay Klicker to approve the Fiscal Year 2020/2021 Draft Budget, seconded by Trustee Doug Knorr. The motion passes.*

**New Board Secretary-** President Bartell recommended the board fill the vacant officer position of board secretary. Matt resigned from the position because he is planning to sell his property within the Association. The president accepted his letter of resignation, which was read to the board, during officer reports. Trustee Cox expressed interest in the officer role of secretary.

*Motion made by Trustee Don Kemmis to appoint Ray Cox as the Secretary of the Board of Trustees until the next officer election is held, seconded by Trustee Doug Knorr. The motion passes.*

**Bank Signature Cards-** The board discussed updating Association banking entity signature cards at the last meeting after Matt announced his plans to sell his property within the Association. Staff researched the steps required at each bank to update signature cards. An email was sent to the board on June 3<sup>rd</sup>, 2020 with some basic information about updating bank signature cards. Staff informed the board that a motion and meeting minutes stating any changes to current signers will need to be made and provided to Association banking entities. Then signature cards will need to be completed.

*Motion made by Trustee Don Kemmis to remove Trustee Matt Mead from all Association banking entity signature cards. The following trustees will be signers from this date forward: Robert Bartell, Chad Davis, Raymond Cox, and Tyler Eshleman, seconded by Trustee Matt Mead. The motion passes.*

**CHS Engineers Transition-** Rodney informed the board that CHS Engineers, LLC has entered into an agreement to sell its assets, including their agreement for professional services, to David Evans and Associates, Inc. (DEA). This means that on the completion date of the sale, June 26<sup>th</sup>, 2020, CHS will no longer perform professional services but will transition its projects and staff to DEA. Rodney assured the board that he anticipates CHS staff will remain in place and be available to work on the Association's projects. The board discussed this transition and whether the Association would be interested in working with DEA in the future for engineering services. Rodney requested the board consider consenting to the assignment of current agreements and projects by completing a consent to assignment agreement. The purpose of this agreement is to protect any current projects the Association had previously authorized with CHS. The board verbally concluded that the Association would like to continue its relationship with CHS staff after its transition to DEA and that signing the agreement is a good idea.

*Motion made by Trustee Don Kemmis to accept and authorize Board President Bob Bartell to sign the Consent to Assignment of Agreement with CHS Engineers, LLC dated June 2<sup>nd</sup>, 2020, seconded by Vice President Jay Klicker. The motion passes.*

**Paycheck Protection Program-** Staff reported that its working with the president and Association's CPA to perform the accounting and necessary steps for the loan forgiveness application. Staff informed the board that there may need to be an interim payroll issued for the accounting required for the application. Staff also informed the board that they will continue to monitor communication from the Small Business Administration as rules for loan forgiveness have and continue to change.

**Future Board Meetings-** President Bartell asked the board to plan for the next board meeting to be held at the Association's office. The meeting may be held in the Association shop and attendees will be asked to wear proper personal protection equipment. The board discussed different options for meeting virtually. Staff agreed to do more research on virtual options for meetings. President Bartell asked the board to plan for the next meeting to be at the office and if staff or board decides to hold the meeting virtually instead staff will make an announcement.

**Call to Adjourn Meeting**

*Motion made by Trustee Doug Knorr, seconded by Trustee Don Kemmis. The motion passes. The meeting was adjourned at 8:15 p.m.*