

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

November 10th, 2020

The Three Lakes Water Association Board of Trustees held their November 10th, 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 board president by email so he could report any comments, questions, or concerns to the board. The board president's email is president@3lwa.org.

Call to Order

The meeting was called to order at 7:02 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Secretary Ray Cox, Treasurer Donald Kemmis, Trustee Doug Knorr, and Trustee Terra Nicolle. Vice President Tyler Eshleman was excused.

Members, Guests & Employees- Engineer Rodney Langer of David Evans and Associates, Inc., and staff member Kaila Klicker were present. Renee Clarke, acting as recording secretary, was present.

DEA Engineers' Report- Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on November 9th, 2020. Highlights of the monthly DEA report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that there are still several items needed from developer Snohomish County for the closeout of this project. Staff continues to attend meetings as needed to support the developer and contractor.

Booster Pump Station #1 Property Investigation- See Old Business

181st Water Main Replacement- See Old Business

Storm Lake Road Phase 2 Water Main Replacement- See Old Business

Draft Final Budget for Fiscal Year 2020/2021- See New Business

Annual Rate Review- Rodney reported that Manager Kemmis has authorized DEA to begin the annual rate review work. Rodney will report back to the board after the rate review has been completed to present information and a recommended consideration for future water rates.

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 November 5th, 2020. Highlights of the monthly manager report are summarized as follows: Staff continues to monitor communication and recommendations from authorities having jurisdiction regarding the current COVID-19 pandemic. Manager Kemmis has initiated daily temperature checks for each staff member. Staff is following guidelines outlined in the Member Assistance Program and recognizes that Governor Jay Inslee's Proclamation 20-23 has been extended. A Smith Brothers Farms delivery truck collided with metering facilities on October 21st, 2020. Staff performed necessary repairs to facilities and supervised the vehicle being towed back over the facilities onto the roadway. An invoice was generated to Smith Brothers Farms for facility repair and staff supervision. Staff received payment for the invoice on November 6th, 2020. Staff met with Rodney on November 4th, 2020 to review the current fiscal year budget with the goal to create a draft final budget outline. They also discussed other capital improvement projects. Systems Interface, Inc. continues to work with staff to complete contracted items for the Association as part of the Telemetry Upgrade project. DEA assisted with a response letter to a member regarding a septic crossing that is perpendicular to water main. This response was sent to the member. A security enhancement modification was made to the Association's online payment option on October 31st, 2020. The membership was notified about this modification with their October water bills and on the Association's website. Staff is working with the board to complete banking signature cards at all Association banking entities. Staff performed research on the Drinking Water State Revolving Fund (DWSRF) program. The purpose of the research is to see if this is a viable program that the Association is eligible for and what the requirements of it are. The Association's goal is to obtain funding to replace critical aging infrastructure. Staff also performed research on possible grant options for private non-profit purveyors to see if the Association has any grant funding opportunities available to them. The 2019 Tax Form 990 was reviewed by staff. The 990 was emailed to the board on November 3rd, 2020 for review. President Klicker signed the Tax Form 8879-EO, which allows the Association's CPA to E-file the 990. The Tax Form 990 was E-filed by the CPA on November 5th, 2020. Copies of the 990 are available to members upon request. The updated Water Facilities Inventory was emailed to the Department of Health on October 27th, 2020 as required on an annual basis.

Approval of October 13th Board Meeting Minutes

Motion made by Trustee Doug Knorr to approve October's Minutes, seconded by Secretary Ray Cox. 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 November 10th, 2020 (attached). Total funds on hand are \$1,384,758.20. One transfer was made for \$62,000.00 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- \$364,446.24

Capital- \$968,440.39

Reserve- \$51,871.57

Total Expenses- \$63,429.27

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

Motion made by Treasurer Donald Kemmis to approve payment of the bills as presented, seconded by Secretary Ray Cox. The motion passes.

President- President Klicker reported that he signed the Tax Form 8879-EO, which allowed the Association's CPA to E-file the 2019 Tax Form 990. He also signed share certificates.

Vice President- Not present.

Secretary- Secretary Cox reported that she signed share certificates and checks for bills due before the November meeting.

Old Business

Booster Pump Station #1 Property Investigation- Rodney reported that DEA has worked to determine an appropriate generator size and equipment needed for this project. A DEA wetlands specialist met with Manager Kemmis on November 5th, 2020 onsite and reviewed the pump station for critical areas and buffer impacts. DEA will work with staff to create a sketch of revised fencing and equipment for the site. A proposed easement area will also be considered. The purpose of this project is to provide the Association's Booster Pump Station #1 with enough space for a new generator so that BPS#1 can operate during a power outage.

181st Water Main Replacement- Staff reported that they are currently researching existing easements in the area with the assistance of Rodney. More research is needed for Manager Kemmis to create a plan for this project.

Storm Lake Road Phase 2 Water Main Replacement- Rodney reported that DEA finalized plans and a bid/contract package to support the invitation of bids from three contractors for this project. Staff delivered bid documentation to contractors on October 26th, 2020. All bids were due to the Association on November 9th, 2020. Two bids were received by the due date. Staff tabulated the bids and presented the bid totals to the board. Rodney informed the board that DEA prepared documentation necessary for the County right of way permit. Staff submitted the permit via email to the County on October 22nd, 2020. The recommended budget for this project is \$200,000.00. Rodney recommended that

the board take action to authorize the president to enter a contract with the recommended bidder.

Motion made by Secretary Ray Cox to authorize board president Jay Klicker to enter into a contract with D&G Backhoe, Inc. based on their bid of \$163,234.00 (plus sales tax) and that the construction contract notice to proceed only be issued on the condition that the county right of way permit is approved without substantive new requirements, seconded by Trustee Doug Knorr. The motion passes.

New Business

Draft Final Budget for Fiscal Year 2020/2021 - Staff reported that a meeting was held with Rodney on November 4th, 2020 to begin reviewing the draft fiscal year budget with the goal to create a draft final budget outline. After staff refinement the draft final budget was sent to the board on November 9th, 2020. President Klicker shared some of his observations and questions about the draft final budget with staff and the board. Staff presented the draft final budget to the board. The board discussed the draft final budget. Staff recommended that the board adopt the draft final budget as presented.

Motion made by Treasurer Donald Kemmis to adopt the Fiscal Year 2020/2021 Budget as of November 10th, 2020, seconded by Trustee Doug Knorr. The motion passes.

Call to Adjourn Meeting

Motion made by Trustee Doug Knorr, seconded by Secretary Ray Cox. The motion passes. The meeting was adjourned at 8:31 p.m.