

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

July 13th, 2021

The Three Lakes Water Association Board of Trustees held their July 13th, 2021, 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 7:01 p.m. by Vice President Tyler Eshleman. A quorum was satisfied by other Board trustees in attendance: President Jay Klicker, Treasurer Donald Kemmis, Trustee Doug Knorr, and Trustee Terra Nicolle. Secretary Raymond Cox was excused.

Members, Guests & Employees- Engineer Rodney Langer of David Evans and Associates, Inc., staff member Kaila Klicker, and staff member Seth Way 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 July 12th, 2021. Highlights of the monthly DEA report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that the developer Snohomish County provided the Bill of Sale and Certification of Costs. Remaining work includes a legal description for an easement to be relinquished, maintenance bond, and finishing the record drawings. Staff and Rodney reviewed the record drawings and prepared comments for the developer. Assistant Manager Klicker and Rodney have a virtual meeting scheduled with the developer to clarify comments on the record drawings. The county provided a signed new Developer's Extension agreement to replace the prior agreement which expired. The board authorized DEA to send a replacement agreement to the county at the last meeting, but Rodney recommended that the board allow President Klicker to sign the agreement provided by the county instead of sending a new one to them. The developer does appear to be making progress towards project completion and project closeout may be ready by the next board meeting.

Storm Lake Road Phase 2 Water Main Replacement- Staff reported that they are focusing on review of the as-builts and will be completing this with Rodney soon.

Booster Pump Station #1- See Old Business

Verizon Facilities Modifications- Rodney reported no action for this project.

Sequoia Ridge Estates, Lots 3 and 4 DE Application- See New Business

Manager & Cross Connection Report

Assistant Manager Kaila Klicker presented a summary of the manager report, which was e-mailed and provided to the Board on July 8th, 2021. Highlights of the monthly manager report are summarized as follows: Staff reported that a new SonicWall device was replaced at the reservoir site on June 23rd, 2021, in attempt to fix intermittent connection issues with the telemetry system. Internet service provider Zply Fiber also improved internet speeds at the reservoir site. The telemetry system appears to now be functioning properly and has not had connection issues. A new water service was installed on June 14th, 2021, along Three Lakes Road by contractor Puget Sound Tapping Services. Manager Kemmis was contacted by a concerned member on June 18th, 2021 and informed there was water in a ditch near their property. On June 22nd, 2021, Contractor Puget Sound Tapping Services conducted potholing work to examine the area for potential water main leaks. Staff determined that the water was likely ground water and not a main leak. Staff reported that they have still not received an initial project deposit of \$11,000.00 from Verizon for the Verizon Facilities Modification project. Staff informed the board that Manager Kemmis and Assistant Manager Klicker had a conference call with Pamela Turner from Tilson Technology Management, who is a representative for Verizon to discuss the initial project deposit. Pamela informed staff that she is still working with Verizon to get the project deposit fully approved and completed and will be in touch to inform staff when that complete approval is sent to the Association. The committee that the board previously created to work on this project had requested that staff seek out other rental agreements to gather some comparison data for reference. Staff completed a public records request with Cross Valley Water District and obtained a copy of a similar agreement they have with a telecommunications company. Staff is also working to obtain similar documents from Snohomish County PUD through a public records request. Staff reported that the office site generator is now repaired and appears to be functional. Staff thanked Secretary Cox for his help with the repair work on the generator. PumpTech, Inc. installed the new pump unit on June 15th, 2021, replacing the Association's Pump Number Three at Booster Pump Station #2. The pump is now fully operational, and staff has observed its increased flow performance. Manager Kemmis is now investigating the possibility of upsizing the impeller on Pump Number Two to increase its flow performance at the same pump station. Staff reported that new increased residential water rates and increased General Facilities Charge went into effect on July 1st, 2021, and staff made changes to the billing database and documentation to incorporate the rate increase as authorized by the board. Staff reported that a representative with Snohomish County Fire District #4, Jason Hodkinson, had previously requested hydrant flow data from staff. Jason told staff that the data they have represents most of the county and asked staff to provide a system map so they could determine which hydrants belonged to the Association. Staff sent the system map to him and are waiting for a response.

Approval of June 8th Board Meeting Minutes

Motion made by Trustee Doug Knorr to approve June's Minutes, seconded by Treasurer Donald Kemmis. The motion passes.

Officers Reports

Treasurer Report and Pay Bills- Staff member Renee Clarke presented a summary of the treasurer report. The financial report was prepared and distributed to the Board summarizing the financial position through July 13th, 2021 (attached). Total funds on hand are \$1,327,243.68. One transfer was made for \$80,002.90 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. One transfer was made for \$6,000.00 from an operating account to a capital account to accommodate the capital reconciliation for the fourth quarter of fiscal year 2020/2021.

Current Financial Info

General Funds- \$431,728.80

Capital- \$771,575.46

Reserve- \$123,939.42

Total Expenses- \$77,578.02

Funds were transferred to the Standpipe, Pump House, and Mero restricted accounts.

Motion made by Treasurer Donald Kemmis to approve payment of the bills as presented, seconded by Trustee Doug Knorr. The motion passes.

President- President Klicker reported that he had a conversation with Manager Kemmis about the Verizon Facilities Modifications project situation.

Vice President- No report.

Secretary- Not present.

Old Business

Washington State Paid Family & Medical Leave- Staff reported that an email was sent out to the board on July 1st, 2021, which presented more information about the Washington State Paid Family & Medical Leave program so the board could better understand the Association's requirements and necessary considerations. Assistant Manager Klicker presented the necessary considerations regarding the program to the board and recommendations. The first board consideration is whether the Association should send a letter to an employee who plans to take temporary leave through the program which would notify the employee of the Association's intention to retain them as an employee

if its reasonably possible. The second consideration is whether the Association would like to continue the employee's health insurance benefit as it currently exists throughout their temporary leave event. The third consideration is if the board elected not to continue the employee's health insurance benefit as it currently exists, then what percentage of the monthly premium the Association would elect to pay during a continuation of coverage contract while the employee is taking temporary leave. The board discussed these considerations.

Motion made by Vice President Tyler Eshleman to retain Association employees throughout a temporary leave event and cover their health insurance during the leave at 100 percent, seconded by Trustee Terra Nicolle. The motion passes.

New Employee Authorization – Staff reported that a formal proposal and job description was emailed to the board on June 18th, 2021, as requested by the board at the June meeting. After a few edits were made, the job description was deemed satisfactory by the board. Staff queried several potential candidates and met with one interested candidate and interviewed that individual to determine whether they would be a good fit for the Association's needs. On June 24th, 2021, staff made a request to the board to provide authorization to hire the interested candidate. Staff received approval from all trustees on June 25th, 2021, and the employee was hired with a start date of July 13th, 2021. The new employee, Seth Way, attended the July board meeting and introduced himself to the board. Staff recommended the board take action to officially hire the new employee.

Motion made by Trustee Doug Knorr to hire Seth Way, who began working on July 13th, 2021, seconded by Treasurer Donald Kemmis. The motion passes.

Proclamation 20.23 Dismissal Notification to Members – Staff informed the board that Governor Jay Inslee's Proclamation 20.23 has again been extended through September 30th, 2021, which disallows the Association from charging late fees or disconnecting services due to nonpayment. Staff asked the board if they would like for staff to generate a notification to the membership to inform them of the dismissal of this proclamation and the effects of the dismissal. The board discussed possible ways to communicate this to the membership. The board verbally agreed that staff notify the membership after the proclamation is dismissed, even if that means not going back to normal revenue policy procedures right away due to time frame. They also agreed that any members who have been working with staff as a part of the Association's Member Assistance Program will be offered a payment plan by staff which will allow them to pay off their outstanding balances over 12 months while still paying their normal ongoing residential water charges under normal policies once reinstated.

Booster Pump Station #1- Rodney reported that he prepared a recommendation for pump replacement and the necessary piping improvements to incorporate a different pump configuration. Staff is currently working to understand the availability of parts and lead times for them. Manager Kemmis

intends to initiate orders for whatever is necessary to replace and reconfigure the station so the Association will again have a reliable booster pump station. The replacement fence was installed on June 25th, 2021, and staff is working to remove the old fencing. Staff plans to schedule time with contractor Puget Sound Tapping Services so they can work to remove the old fencing posts and conduct some excavation work in preparation for a future generator pad. Rodney also reported that Manager Kemmis directed him to create a formal proposal for engineering services for the remaining work on this project. Rodney presented the proposal to the board which includes the work to add a standby power generator to the booster pump station site, which will allow the pump station to operate during a power outage. The total fees estimated for this work is \$45,000.00. The board discussed the proposal. Rodney recommended the board consider taking action to accept the proposal.

Motion made by Vice President Tyler Eshleman to accept Task Order No. 21-1, Booster Pump Station #1 Generator dated July 13th, 2021, seconded by Trustee Doug Knorr. The motion passes.

New Business

Sequoia Ridge Estates, Lots 3 and 4 DE Application- Rodney reported that he reviewed the Developer's Extension application for Sequoia Ridge lots 3 and 4. Rodney presented a memo to the board outlining the review considerations for water service to those lots. The board discussed the memo. Rodney recommended the board accept the application for service per the conditions presented in his memo.

Motion made by Treasurer Donald Kemmis to accept the application for service to Sequoia Ridge Estates, Lots 3 and 4, per the conditions presented in the memo from David Evans and Associates Inc. dated July 12th, 2021, seconded by Trustee Doug Knorr. The motion passes.

CPA Engagement Letter- Staff reported to the board that the fiscal year 2020/2021 ended on June 30th, 2021, and that they are now preparing for fiscal year end reporting. The Association's CPA, Bellingham CPA Taxes & Accounting, LLC, performs work to prepare the financial statement and the Tax Form 990 with staff. The CPA annually requests the Association to sign and return an engagement letter regarding those services. Staff reported that the engagement letter was received by staff and that Manager Kemmis plans to sign and return the document.

Call to Adjourn Meeting

Motion made by Treasurer Donald Kemmis, seconded by Trustee Terra Nicolle. The motion passes. The meeting was adjourned at 8:37 p.m.