

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

May 12th, 2020

The Three Lakes Water Association Board of Trustees held their May 12th, 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, Secretary Matt Mead, Trustee Don Kemmis, Trustee Ray Cox, and Trustee Doug Knorr. Treasurer Tyler Eshleman was excused. 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 May 8th, 2020. Highlights of the monthly CHS report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that he reviewed a proposed easement form desired by the developer, Snohomish County, which includes significant conditions and insurance requirements. The Association's Developer Extension agreement requires and includes an example of an easement form that is acceptable to the Association. Rodney discussed this matter with Manager Kemmis, and they determined that this matter should be referred to the Association's attorney for review and guidance. Rodney received a reply from the attorney, and he supports the Association's authority to enforce an easement form that is acceptable to the Developer's Extension agreement as opposed to what is being proposed by the developer.

48th St and 177th Ave SE Water Main Potential Project- Rodney reported that there was no action on this project but that a set of draft plans had been provided to staff.

Other Services- Rodney reviewed and prepared a sketch of an easement over parcels along 151st Avenue SE. He also prepared an easement and reviewed conditions for service to a lot within the Panther Lake Ridge development.

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 May 7th, 2020. Highlights of the monthly manager report are summarized as follows: A new water service was installed on April 27th, 2020 by contractor Puget Sound Tapping Services along Weber road. Staff received payment on May 4th, 2020 for a new water service for lot 31 in Panther Lake Ridge. Staff will coordinate with contractor PSTS to schedule the installation. The concrete apron was repaired by contractor PSTS following a main leak which occurred along 171st Avenue SE on March 17th, 2020. President Bartell and Vice President Klicker both reviewed and signed the 2020 staff evaluation forms. Manager Kemmis reported to the board in April that the evaluation results were favorable for all staff members. The new wages were established on May 4th, 2020 as defined by the Three Lakes Water Association five-year employee wage plan that was authorized by the board at the May 14th, 2019 board meeting. On April 20th, 2020 staff mailed reminder letters to 15 members who still had account balances over \$200.00. On May 5th, nine of those members had still not made payment on their accounts or contact staff to make payment arrangements. The 2013 Ford F150 transmission seals were replaced on the truck to repair it and make it operational again. Staff scheduled a meeting with Rodney on May 14th, 2020 to discuss the steps needed to create the draft budget for fiscal year 2020/2021. Staff continues to support the county during their construction at Flowing Lake Park by attending weekly meetings and supporting construction near Association facilities. Staff is currently focusing system maintenance efforts towards making Association facilities clear and visible. The spring mailer including the Annual Newsletter, No Increase of Water Service Charges notice, and Water Use Efficiency information was mailed with April water bills on April 30th, 2020.

Approval of April Board Meeting Minutes and April Special Meeting of the Board Minutes

Motion made by Trustee Doug Knorr to approve April's Minutes and April's Special Meeting of the Board Minutes, seconded by Trustee Don Kemmis. 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 May 12th, 2020 (attached). Total funds on hand are \$1,348,388.12. One transfer was made for \$57,000.00 to cover the bills from the KeyBank account. One transfer was made for \$54,452.00 to move the total amount received from the Paycheck Protection Program funds to a new KeyBank bank 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- \$335,241.00

Capital- \$914,781.02

Reserve- \$98,366.10

Total Expenses- \$58,712.09

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 Ray Cox. The motion passes.

President- Bob reported that he conducted a special meeting of the board to authorize the Paycheck Protection Program loan funds. He communicated and worked with staff to open a new bank account at KeyBank for the PPP funds. He also signed checks for bills due before the board meeting.

Vice President- Jay reported that he signed documentation for the new KeyBank account.

Secretary- Matt reported that he signed share certificates and checks for bills due before the board meeting. He announced to the board that he is planning to sell his property and will be leaving the Association. The board thanked him for his service and discussed the need for new trustees, signers, and officers.

Old Business

Late Fee & Shut Off Temporary Policy Changes- The board authorized a temporary change to the late fee and shut off policy at the April board meeting. The temporary change lowered late fees from 10 percent to 0 percent and raised the shut off threshold from \$200.00 to \$350.00. The board agreed at the April meeting to readdress this policy at this meeting to consider a more permanent plan for the policy going forward. The board discussed the policy and possible changes to it. Manager Kemmis recommended that the board consider permanently raising the shut off threshold because the \$200.00 threshold was established when the base water rates were less expensive than they are currently. The board verbally agreed that this is a valid consideration.

Motion made by Trustee Don Kemmis to reestablish the 10 percent late fee on account balances owing \$1.00 or more and to raise the shut off threshold to \$350.00, seconded by Trustee Ray Cox. The motion passes.

Booster Pump Station #1 Repair- Manager Kemmis informed the board that the pump at Booster Pump Station #1 has a leaking seal and that he intends to schedule a repair for this issue with company PumpTech, Inc. soon.

New Business

Paycheck Protection Program- President Bartell worked with staff in April to apply for the Paycheck Protection Program through KeyBank. A KeyBank representative contacted President Bartell to inform him that a board resolution

would be needed to complete the loan application. President Bartell considered this resolution to be a time sensitive issue and recommended that the board hold a special meeting to complete it. A Special Meeting of the Board was held on April 28th, 2020 to authorize the PPP funds and authorize President Bartell to sign for the program on behalf of the Association. President Bartell worked with staff to complete the loan signature after the special meeting. On May 4th, 2020 staff learned that the Association's Paycheck Protection Program loan had been disbursed and funds received into its KeyBank bank account in the amount of \$54,452.00. President Bartell recommended that the Association open a new bank account and transfer the PPP funds to that account to make the accounting for the specified use for the funds easier to accomplish. The board helped staff facilitate the steps needed to open the new KeyBank account. Manager Kemmis thanked the president for his help throughout the PPP application process.

Motion made by Trustee Don Kemmis to open a new KeyBank bank account for the Paycheck Protection Program funds, seconded by Vice President Jay Klicker. The motion passes.

Motion made by Trustee Don Kemmis to transfer the Paycheck Protection Program funds in the amount of \$54,452.00 to the new KeyBank account, seconded by Trustee Ray Cox. The motion passes.

Current Staff Operations During COVID-19 Pandemic- Manager Kemmis informed the board that staff is still taking precautions recommended by authorities having jurisdiction. Staff was able to obtain cloth masks from Snohomish County Emergency Management Systems and Washington State Emergency Management Division for general use. Staff daily activities continue to be modified by the manager to prioritize safety with physical distancing and other actions. Staff will continue to monitor communication from authorities having jurisdiction.

48th St and 177th Ave SE Water Main Potential Project- Manger Kemmis asked the board if they think now is a good time to move forward towards county permitting on this project. The design for this project is mostly complete pending staff review. The board discussed the project and verbally agreed that staff should move forward with this project and continue steps towards permitting.

Call to Adjourn Meeting

Motion made by Trustee Ray Cox, seconded by Secretary Matt Mead. The motion passes. The meeting was adjourned at 7:57 p.m.