

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

August 11th, 2020

The Three Lakes Water Association Board of Trustees held their August 11th, 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 7:03 p.m. by President Bob Bartell. A quorum was satisfied by other Board trustees in attendance: Vice President Jay Klicker, Secretary Ray Cox, Trustee Don Kemmis, and Trustee Doug Knorr. Treasurer Tyler Eshleman and Trustee Chad Davis were 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 August 7th, 2020. Highlights of the monthly DEA report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that there are several items that are still in process for the closeout work for this Developer's Extension to be completed. He is supporting the developer Snohomish County as needed with the closeout work. Staff is still attending weekly meetings to support the developer and contractors during this project.

48th and 177th Ave SE Water Main Potential Project- Rodney reported that this project is still pending staff review of the draft plans. Don informed the board that he has decided to wait to move forward with this potential project towards permitting. Once the permitting process begins a timetable is initiated for the completion of the construction for the project. The current construction restrictions as recommended by the Washington State Department of Health state that current projects must attempt to mitigate bacterial or low-pressure issues. This project is an improvement to the distribution system and not considered an essential project as defined by the Continuity of Operations Plan. Staff will wait to move towards permitting until some of the restrictions are lifted.

Booster Pump Station #1 Property Investigation- Rodney reported that he obtained the City of Everett pipeline easement for review. He is currently working to schedule a field survey of the Association's Booster Pump Station #1 to gather

more information. Rodney will report back to the board after the field survey is completed.

181st Water Main Replacement- See New Business.

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 August 6th, 2020. Highlights of the monthly manager report are summarized as follows: Staff reported that there have been four telemetry failures within the past month. They all appear to be related to the loss of internet connection. Staff continues to monitor communication coming from authorities having jurisdiction related to the COVID-19 pandemic. Association's operations are being amended as needed to be in full compliance with government guidelines and recommendations. Manager Kemmis and Trustee Cox performed maintenance on the Association's generator on July 17th, 2020 at Booster Pump Station #2 to repair an issue related to coolant. Cummins replaced a display panel on the generator on July 27th, 2020. The block heater was also replaced. The generator is now fully operational. Systems Interface, Inc. was onsite during the work performed by Cummins to complete testing on the telemetry system. Additional pressure transducers will be installed at Booster Pump Station #2 over the next few weeks once available as part of the Telemetry System Upgrade project. Staff is in contact with Royce from Systems Interface, Inc. to facilitate the completion of the original contract items for this project. Staff did some testing and research to investigate the option of using Zoom instead of Microsoft Teams to conduct virtual meetings. Rodney offered to host the meetings with DEA's Zoom license. Manager Kemmis decided to use Zoom going forward with Rodney hosting future board meetings. Staff informed the board that the Paycheck Protection Program loan funds have been used to pay payroll and will soon be fully allocated. Staff has been working with the board president and Association's CPA to identify the best ways to account for the loan funds being used. Staff and the president will continue to work towards completing the loan forgiveness application once its available. Staff reported that all new banking signature cards have been completed. Manager Kemmis is considering the option for all staff to attend the Virtual 2020 Fall ERWOW Conference. Currently, he is the only staff member that is registered to attend the conference. Staff will earn CEU's if they attend the conference, which are necessary to maintain certifications with the Department of Health. The Annual Report was filed with the Secretary of State on July 28th, 2020.

Addendum to Manager & Cross Connection Report

Staff reported that they are currently preparing documentation for the Association's CPA, Dan Bhathella, to begin his fiscal year end reports. Staff received an engagement letter from the CPA which summarizes fiscal year end work. The costs of fiscal year end work are comparable to last year's costs. Staff informed the board that unless there are concerns the engagement letter will be presented to the board president for signature. The Continuity of Operations Plan has been updated based on current guidelines from

the DOH and other governing jurisdictions. Manager Kemmis received a call from an individual representing Robinett Homes, LLC to discuss the Sequoia Ridge development. An easement that parallels the City of Everett's Transmission Line #5 was discussed. They also discussed the Association's capacity and willingness to serve several of the City of Everett's direct to the Transmission Line #5 customers potable water. Staff discovered a leak at the Association's Booster Pump Station #2 at the swing check valve located downstream of Booster Pump #2. Staff plans to address the leak when the leak increases in volume.

Approval of July 14th Board Meeting Minutes

Motion made by Secretary Ray Cox to approve July's 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 August 11th, 2020 (attached). Total funds on hand are \$1,470,221.44. One transfer was made for \$60,786.00 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- \$387,680.02

Capital- \$957,143.80

Reserve- \$125,397.62

Total Expenses- \$64,874.50

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

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

President- Bob reported that he signed checks, share certificates, and an engagement letter from the Association's CPA summarizing fiscal year end work. He also reported that he gave input on staff job descriptions in an email conversation with the board.

Vice President- Jay reported that he gave input on staff job descriptions in an email conversation with the board.

Secretary- Ray reported that he signed checks and nine share certificates.

Old Business

Member Assistance Program- Staff reported to the board that they updated the Member Assistance Program to be in compliance with Governor Jay Inslee's

Proclamation 20-23. Manager Kemmis informed the board that at the last meeting he told the board that he believed the Association was not required by the Department of Health to create a program because the number of connections was below the minimum number of connections as defined by the Governor's Proclamation 20-23.6. Staff contacted the Association's attorney to clarify the language in the governor's proclamation related to minimum number of connections. The attorney confirmed that the Association should follow the DOH and proclamation's guidelines. Manager Kemmis directed the reversal of all late fees assessed on all accounts on June 1st, 2020. The Member Assistance Program states that the Association will not charge late fees, disconnect water service, and will work with members to lower outstanding account balances. The program is currently available on the website. Once the proclamation becomes inactive the original Association's policies will be immediately reinstated and acted upon.

Staff Transition Plan- The board agreed at the last meeting to review the proposed job description for assistant manager and come to this meeting ready to discuss comments and vote on the position. Staff reported that job descriptions and supporting information was provided to the board by email on July 15th, 2020 as requested. Both President Bartell and Vice President Klicker reported to the board that they provided input on the job descriptions provided through email. The board discussed the job descriptions, the possibility of creating a new position of assistant manager and filling the proposed position.

Motion made by Trustee Doug Knorr to approve the job description for the position of Assistant Manager and create the position, seconded by Secretary Ray Cox. The motion passes.

Motion made by Trustee Doug Knorr to transition staff member Kaila Klicker into the position of Assistant Manager, seconded by Secretary Ray Cox. The motion passes. Trustee Don Kemmis abstained from the vote. Vice President Jay Klicker abstained from the vote.

Board Trustee Compensation- At the last board meeting, Treasurer Eshleman recommended that the board consider compensating trustees for attending board meetings. Staff emailed information about compensating trustees to him for review but received no further comments. Manager Kemmis recommended that the board consider starting the compensation after the current year's annual meeting.

New Business

181st Water Main Replacement- Rodney informed the board that Manager Kemmis asked him to do some preliminary investigation work into a potential project on 181st Avenue SE. DEA prepared a project summary for board review.

Rodney presented the summary to the board. The objective of the project is to replace approximately 630 linear feet of 2-inch PVC water main that currently feeds five members. This work would increase accessibility of facilities in the area, increase reliability, and minimize possible risk related to a water main break in an area close to a lake. Currently, staff cannot appropriately flush the main in the area because some facilities are inaccessible. The project summary included recommendations for DEA to do investigative work so that DEA can come back later to report to the board more accurately the scope of the work to complete this project. DEA will also be able to provide a proposal for design. This project is part of the Association's 2019 Comprehensive Water System Plan Limited Update Extension. The preliminary estimated cost for this project is \$121,000.00. Manager Kemmis informed the board that he thinks this would be a good project to consider constructing next summer and that the permitting process could take a significant amount of time. The board discussed this potential project. The board verbally agreed that DEA should continue to do preliminary investigation work on this potential project and report to the board as more information becomes available.

Annual Meeting- Manager Kemmis reminded the board that the annual meeting will be held in early October. He informed the board that this meeting will likely need to be held virtually to comply with current social distancing guidelines enforced by Washington State. The board topically discussed hosting the annual meeting virtually. The board verbally agreed that staff should investigate options for virtually hosting the annual meeting and make a recommendation to the board at the next meeting.

Current Governing Documentation- Manager Kemmis informed the board that all Association governing documentation, including current plans, procedures, and polices are available at the office for board trustees to review should they desire to do so. This includes a list of the actions put in place as temporary measures to deal with the current state of emergency.

Staff Announcement- Staff member Renee Clarke informed the board that she will not be attending the September board meeting. The other staff members are aware of this and will fill her duties at the next meeting as needed.

Call to Adjourn Meeting

Motion made by Secretary Ray Cox, seconded by Trustee Don Kemmis. The motion passes. The meeting was adjourned at 8:23 p.m.