

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

March 10th, 2020

The Three Lakes Water Association Board of Trustees held their March 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 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 March 6th, 2020. Highlights of the monthly CHS report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that he prepared a letter with conditions for a proposed pressure sewer main crossing. There is some closeout work to be completed for this Developer Extension. Staff continues to support the construction at the park by attending weekly meetings and monitoring construction near Association facilities.

2019 Rate Review- See Old Business

48th St and 177th Ave SE Water Main Potential Project- Rodney reported that CHS had completed a project design. The final draft design will be provided to staff for final review when it is ready. Staff reported that potholing was performed by contractor Puget Sound Tapping Services on February 21st, 2020 on 48th St SE and 175th Ave SE to locate the 6" AC water main. Additional potholing may be needed in the future.

Big Deer West DE Review- See New Business

Other Services- Rodney reported that he reviewed an easement map for accuracy which was provided to staff. He included some rate information which could be used to create a notification for the membership about a rate increase in the rate review memo.

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 March 5th, 2020. Highlights of the monthly manager report are summarized as follows: Staff is establishing a process for continued operations during Washington's current COVID-19 pandemic situation. Staff will continue to serve the membership and protect the Association. Manager Kemmis was contacted by the Federal Emergency Management Agency (FEMA) to discuss the Association's level of preparedness for emergency situations. Staff will also continue to monitor communication about the current situation made by the Washington State Department of Health (DOH) and Centers for Disease Control and Prevention (CDC). Systems Interface, Inc is near completion of the configuration and hardware installation for the Telemetry Upgrade project. Staff will continue to work with Systems Interface, Inc to customize the system for the Association's needs and to learn to use the new system. Meter reading was completed on February 20th, 2020 and staff discovered that there are several members with high water usage for the last billing period. Staff called members to inform them of the high usage, which is a part of normal procedure. Staff members Kemmis and Klicker attended an emergency preparedness workshop in Woodinville and each earned 0.7 CEUs (continuing education units). The DOH requires staff with certifications to obtain 3.0 CEUs every professional growth period in order to maintain their certifications. The City of Everett's required backflow assembly testing was completed on February 10th, 2020 and all five of the Association's backflow assemblies passed. Staff is currently working to prepare the annual newsletter to be mailed with April water bills. Staff is also preparing the consumer confidence report to be available to the membership, which is a DOH requirement. As a member of the Water Utility Coordinating Committee, the Association was solicited for information about the existing policies and procedures in place for providing new municipal water service and exempt wells that are installed within the franchise.

Approval of February 11th Board Meeting Minutes

Motion made by Treasurer Tyler Eshleman to approve February'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 March 10th, 2020 (attached). Total funds on hand are \$1,245,575.33. One transfer was made for \$61,000.00 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- \$328,319.24

Capital- \$836,939.24

Reserve- \$80,316.85

Total Expenses- \$54,476.38

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

Motion made by Treasurer Tyler Eshleman to approve payment of the bills as presented, seconded by Secretary Matt Mead. The motion passes.

President- Bob reported that he signed checks for bills due before the March meeting and worked with staff to set up the webinar for the meeting.

Vice President- No report.

Secretary- Matt reported that he signed checks for bills due before the March meeting and share certificates.

Old Business

2019 Rate Review- Rodney presented the CHS rate review memo to the board with a proposed rate increase that would be effective July 1st, 2020. CHS compared the Association's financials for the last fiscal year to the overall financials and forecasted rates that were provided during last year's rate review. Forecasted rates include increases due to the rising expenses like water and power, wages, benefits and rising capital expenses due to aging infrastructure within the Association. Rodney recommended that the board approve the rate increase. The new rates would include (for a single ERU member) a base rate increase of \$3.00 and a tier increase of \$0.10/CCF for use above 600 CCF on a bimonthly billing cycle. The new base rate will be \$133.00 bimonthly. Larger ERU billing rates will also increase at a respective rate based on their size plus a \$0.10/CCF tier increase. Staff reported that a purveyor analysis was emailed to the board on February 21st, 2020 showing other local purveyor's rates in comparison to the Association's. This information was requested by Treasurer Eshleman at the last board meeting.

Motion made by Treasurer Tyler Eshleman to adopt the rate increase as outlined in CHS Memo dated March 3rd, 2020 effective July 1st, 2020, seconded by Trustee Don Kemmis. The motion passes.

New Business

Big Deer West DE Review- Staff reported that they received a developer's extension application and payment on February 26th, 2020 from Rivertown Homes LLC. The proposed development would be for 12 single family residences to the west of 171st Ave SE near the Big Deer developments and to the north of Three Lakes Road. Rodney presented the memo to the board.

Rodney recommended that the board accept the developer's application for service, subject to the conditions presented in the CHS memo.

Motion made by Treasurer Tyler Eshleman to accept the developer's extension application for Big Deer West subject to the conditions outlined in CHS memo dated March 6th, 2020, seconded by Vice President Jay Klicker. The motion passes.

Treasurer Recommendation- Treasurer Eshleman recommended to the board that the Association discontinue banking with Bank of America. He reported that this bank is difficult for the board and staff to work with in order to get actions completed by the Association related to banking needs. Manager Kemmis told the board that staff will look at other local banking options.

Motion made by Treasurer Tyler Eshleman to authorize staff to research other banking options for the Association, seconded by Trustee Don Kemmis. The motion passes.

Rate Increase Notification for Membership- Manager Kemmis reminded the board that at the February meeting they discussed the possibility of mailing notification to the membership about the rate increase. Trustee Knorr had expressed some interest in creating a draft for this notification. CHS's rate review memo contained additional information which could be used to write a notification to the membership about rates. Trustee Knorr verbally agreed to create a draft notification for the board to review.

Board Information Request- Manager Kemmis asked the board if they were satisfied with the information provided to the board by email on February 21st, 2020 about the Association's growth and staff positions. This information had been requested by the board at the February meeting. The board verbally agreed that they were satisfied with the information provided. This information request was made when the board discussed a staff request. Kaila Klicker asked the board to consider giving her authority to act as manager in the manager's absence. President Bartell recommended the board also consider hiring an additional employee. The board verbally agreed that Kaila should discuss this possible role change with the board president and the manager.

Association Operation During Washington State of Emergency- Staff informed the board that they are preparing to run the Association remotely and preparing for possible emergency operations. The Association is a member of a mutual aid agreement with other local purveyors, which would allow staff to ask other purveyors for help to run the Association in their absence. There are also some emergency contacts the manager can choose to contact for help if needed. Treasurer Eshleman asked to be added to the list of emergency contacts. Staff will continue to monitor the current pandemic situation and plans to react

appropriately to requests and recommendations made by authorities having jurisdiction.

Board President Comment- President Bartell told the board that he understood that the By-Laws stated that board meetings are required to be held physically at the Association office. He recommended that the board consider changing the By-Laws if the board meetings are conducted virtually in the future. Manager Kemmis informed the board that the membership was invited to participate on the Association's Facebook page and website by sending any questions/concerns/comments to staff. President Bartell also thanked staff for setting up the webinar.

Call to Adjourn Meeting

Motion made by Treasurer Tyler Eshleman, seconded by Trustee Don Kemmis. The motion passes. The meeting was adjourned at 8:28 p.m.