

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

February 11th, 2020

The Three Lakes Water Association Board of Trustees held their February 11th, 2020 Board Meeting at 7:00 p.m. in the Association office located at 17503 58th St SE, Snohomish, Washington, 98290.

The Board of Trustees President Bob Bartell announced that there was no board meeting in January due to inclement weather.

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, Trustee Don Kemmis, Trustee Ray Cox, and Trustee Doug Knorr. Secretary Matt Mead and Trustee Chad Davis were 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. Member Susan Kemmis 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 February 10th, 2020. Highlights of the monthly CHS report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that he has supported staff during construction and observed work during the final connection to existing water main. He reviewed project funds and made a deposit recommendation to Snohomish County to add \$3,600.00 for the estimated project expenses. He reviewed a sewer main crossing. Pressure testing and bacteriological sampling were completed and satisfactory. CHS is working to prepare the closeout letter and DOH construction report. The Association will be working to monitor facilities during the rest of the project and to complete closeout coordination with CHS.

2019 Rate Review- Rodney reported that the rate review is still in process and hopes to have a report ready for the board to review by next meeting. Trustee Knorr offered to help the Association refine the messaging to the membership regarding future residential water rates.

169th/Panther Lane Water Main Slipline- Rodney reported that as-built records for this project have been provided to staff.

48th St and 177th Ave SE Water Main Potential Project- Rodney reported that a field survey for this project has been completed by CHS. A base map for this project has been created and was reviewed by staff. CHS plans to provide a revised base map to staff.

Other Services- Rodney reported that an updated map has been provided to staff representing the Association's easements. Rodney reviewed Booster Pump Station #1 performance data. Rodney reviewed Water Use Efficiency data and calculations.

Telemetry Upgrade- Rodney has observed some of the work in progress for this project.

Manager & Cross Connection Report (this is a Summary of both the January and February Manager Reports)

Staff member Kaila Klicker presented a summary of the manager report, which was e-mailed and provided to the Board on February 6th, 2020. Highlights of the monthly manager report are summarized as follows: Staff met with CHS to discuss the potential benefits of variable speed pumps at Booster Pump Station #2. Staff concluded from the discussion that variable speed pumps would not be beneficial for the Association. Staff is participating in the current professional growth period by attending trainings in order to obtain CEUs (Continuing Education Unit). Staff is required to obtain 3.0 CEUs by the Department of Health during the professional growth period to retain certifications. The Water Use Efficiency report was submitted to DOH as required. The annual blanket application was submitted to Snohomish County and an approved permit was received by staff on January 27th, 2020. Annual tax documents have been filed on time by the Association's CPA. Staff was contacted by a representative from the Department of Health on December 18th, 2019 and informed that they had been contacted by an individual who expressed to them dissatisfaction with the Association's cost for a new water service. No official complaint was filed with DOH. An air vac was installed on 163rd Ave SE by contractor Puget Sound Tapping Services on November 18th, 2019. A new water service was installed along Three Lakes Road on December 17th, 2019 by contractor PSTS. A new water service was installed along 171st Ave SE on December 18th, 2019 by contractor PSTS. Rodney informed staff that he could not find a specific contract between CHS and the Association. A standard client contract was signed by Manager Kemmis and provided to CHS. Staff was contacted by a representative from the DOH regarding a potential violation for our required Stage 2 bacteriological sampling routine in August of 2019. Staff explained that a refrigeration failure and delivery courier mishap caused the sampling to occur late. An email explaining this situation was provided to the DOH and the potential violation was avoided. Staff reported that an analysis of the Association's online bill payment option had been completed. The results show that there is a 49 percent increase in the number of payments and a 47 percent decrease in the cost per transaction for the year of 2019.

Approval of December 10th Board Meeting Minutes

Motion made by Trustee Ray Cox to approve December's minutes, seconded by Treasurer Tyler Eshleman. 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 February 11th, 2020 (attached). Total funds on hand are \$1,263,658.97. One transfer was made for \$41,500.00 to cover the bills from the KeyBank account. One transfer was made for \$25,132.20 from an operating account to a capital account to accommodate the one-time capital reconciliation (see Old Business). 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- \$355,697.24

Capital- \$836,665.54

Reserve- \$71,296.19

Total Expenses- \$64,144.56

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 Vice President Jay Klicker. The motion passes.

President- Bob reported that he has signed checks for bills due before the February meeting and share certificates.

Vice President- Jay reported that he saw some of the installation work being done by Systems Interface, Inc on the Telemetry Upgrade project.

Secretary- Not present.

Old Business

Capital Reconciliation Transfer- Manager Kemmis informed the board that staff has recently reviewed the monthly transfer of funds from operating to capital accounts, a process that was initiated in July of 2017. Based on prior board direction and current policy a portion of each member's residential water charge would go into capital funds and be used for the capital improvement program. From the review staff concluded that the Association had not fully achieved this goal based upon the \$9,000.00 monthly transfer to satisfy existing DWSRF loans. Staff calculated the difference over sixteen billing periods. The board approved a \$25,132.20 transfer from an operating account to a capital account. Going forward staff plans to integrate this calculation into the current budget reconciliation tool.

New Business

Staff Request- Staff member Kaila Klicker requested that she be provided with proper authority to act as manager in the manager's absence and to be involved with expansion of the workforce should her role move more towards assistant manager. Her goal was to be transparent and inform the board that she and her manager would be speaking with the president about this topic. Treasurer Eshleman requested information regarding our system growth and hours worked. He also requested a current residential water rate comparison from other local purveyors to understand how our rates compare. Trustee Knorr asked if there are currently job descriptions for each position. He also pointed out the importance to consider the needs of the Association. The board verbally agreed that it is okay for Kaila and the manager to discuss the possible role change with the board president.

Telemetry Upgrade- Staff showed and presented the new telemetry system to the board on a projector screen.

Call to Adjourn Meeting

Motion made by Trustee Don Kemmis, seconded by Trustee Ray Cox. The motion passes. The meeting was adjourned at 8:47 p.m.