

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

April 14th, 2020

The Three Lakes Water Association Board of Trustees held their April 14th, 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 April 8th, 2020. Highlights of the monthly CHS report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that he reviewed a new easement legal description and prepared an Association easement form. Snohomish County will need to complete additional closeout tasks to finish the Association's Developer Extension process.

48th St and 177th Ave SE Water Main Potential Project- Rodney provided a final draft plan for staff review.

Big Deer West DE Review- Rodney informed the Developer's Extension applicant of the Board's approval of the application and conditions. The board approved the applicants DE application at the March board meeting.

Other Services- Rodney reported that CHS updated the system map with information provided by the county. CHS worked with staff to update the fiscal year budget capital reconciliation tool. CHS reviewed the residential sprinkler system policy and procedure. CHS helped provide a response to an application for service to an additional lot in the Panther Lake Ridge development. CHS reviewed the Consumer Confidence Report created by staff. CHS reviewed a building permit and exempt well procedure.

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 April 8th, 2020. Highlights of the monthly manager report are summarized as follows: The Association continues to operate during the COVID-19 pandemic. Staff is considering all guidance communicated by the State of Washington, Department of Health, Centers for Disease Control and Prevention, and other authorities having jurisdiction. The Association is following recommendations made by authorities having jurisdiction to keep the Association and staff safe and healthy. The Association is considered an essential business by Snohomish County as a potable water purveyor. Staff will continue to keep the Association operational while monitoring recommendations made by authorities during the pandemic. Manager Kemmis spoke with Board President Bartell on March 27th, 2020 and invoked the Association's Emergency Response Plan which allows for a more streamlined level of command. The board and staff have made temporary changes to policies and procedures to better accommodate the membership during this pandemic. Manager Kemmis has put a temporary order in place which gives staff member Kaila Klicker authority to function as the manager in Don's absence. Staff is utilizing technology to communicate with the board and membership to maintain social distancing guidelines. Staff emailed the board on April 3rd, 2020 to inform them of a federal government program called the Paycheck Protection Program (PPP) offered by the Small Business Administration. The PPP is a federally funded loan program where funds borrowed can be eligible for forgiveness if the loan is used to cover payroll costs and employee and compensation levels are maintained for eight weeks after loan funds are disbursed. Staff calculated that the Association could be eligible for an estimated loan amount totaling approximately \$60,000.00. On April 6th, 2020, all board trustees were contacted directly by Manager Kemmis to understand whether they agreed if the Association should apply for the program because the program submittal was time sensitive. Trustees agreed that the Association should apply for the program. President Bartell worked with staff to apply for the program through KeyBank. Staff calculated the loan amount with the president and determined the possible loan amount to total \$68,065.00. The application was submitted with this amount. On April 14th, 2020 President Bartell informed staff that KeyBank approved a loan amount of \$54,452.00. Staff member Klicker created cloth masks for staff protection use as recommended by the CDC. Staff member Clarke has been communicating with the board by email on behalf of Manager Kemmis. All temporary changes to policy and procedure are being documented by staff in order to more easily facilitate the shift back to normal operations. Manager Kemmis requested a letter from the Department of Health stating that Three Lakes Water Association is an essential business in preparation for the stay-at-home order. This letter was received by staff on March 24th, 2020. Staff has focused field maintenance efforts towards marking all facilities to ensure they are visible and accessible. On March 17th, 2020, a member informed staff that there was water leaking out of the ground along 171st Avenue SE. The leaking water was coming from a failed service saddle and repaired by contractor Puget Sound Tapping Services the same day. Staff has worked to set up all board trustees with telephone and webinar technology through Microsoft Teams to participate in virtual meetings. Staff created new badges for staff identification purposes. A software upgrade for the Association's billing system was approved and installed on March 18th, 2020. Staff expects to receive an invoice from the software

company matching the quote price approved by the manager prior to installation. No trespassing signs have been installed at Association's pump stations and office site as recommended in the emergency preparedness workshop that staff attended in February. The required Consumer Confidence Report was completed and mailed to DOH on April 2nd, 2020 and has been posted to the Association's website. Staff is currently preparing the annual newsletter, notice of year 2020 water service charges, and water use efficiency information to be mailed with the April billing, which is an annual process. Payment for meter installation was received for an account that has a share only service. Staff is in contact with contractor PSTS to schedule the service installation. Manager Kemmis was contacted by Robinett Homes, LLC to discuss a potential of water service to lots within the Sequoia Ridge area, which been discussed in the past.

Approval of March 10th Board Meeting Minutes

Motion made by Trustee Ray Cox to approve March'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 April 14th, 2020 (attached). Total funds on hand are \$1,297,481.40. One transfer was made for \$57,000.00 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- \$372,951.72

Capital- \$835,184.45

Reserve- \$89,345.23

Total Expenses- \$60,527.87

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 Trustee Ray Cox. The motion passes.

President- Bob reported that he has been in contact with the manager to discuss operations during the current pandemic. He worked with staff to complete and submit the Paycheck Protection Program application. He also signed checks for bills due before the April meeting.

Vice President- Jay reported that he assisted Kaila with the creation of cloth face masks. He spoke to the manager about the PPP. He also provided input on the new proposed billing format.

Secretary- Matt reported that he signed shares and checks for bills due before the April meeting.

Old Business

2019 Rate Increase Reversal- The board had topically discussed by email the possibility of reversing its decision made at the March board meeting to raise residential water rates. Manager Kemmis recommended that the board delay any rate increases to the year 2021 and consider any increases as part of the annual rate study performed by CHS each winter. The board recognizes that if they delay a rate increase this year there could be a slightly higher proposed increase next year. Staff created a notice for the membership informing them that the board elected not to increase rates this year and reiterated the current rate schedule.

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

New Business

Late Fee & Shut Off Temporary Policy Changes- The delinquent and shut off policy has been temporarily amended to lower late fees from 10 percent on any remaining balance to 0 percent and raise the shut off threshold from \$200.00 to \$350.00. Manager Kemmis and the board has elected to make these temporary policy changes in reaction to the COVID-19 pandemic for this current April 2020 timeframe. No shut off notices were generated on April 1st, 2020 and instead staff prepared letters for members whose account balances were greater than \$200.00 to remind them of the balance and recommend payment or to make a payment arrangement. Treasurer Eshleman suggested that the board consider adjustments for members whose incomes have been affected by the current pandemic. The board agreed to revisit the topic of account adjustments at the May board meeting.

Motion made by Trustee Don Kemmis to temporarily change late fees to 0 percent on account balances and raise the shut off threshold to \$350.00 until further board action, seconded by Treasurer Tyler Eshelman. The motion passes.

New Billing Format- Staff member Klicker researched the option of a new water bill format after the upgrade of new billing software. The new proposed format allows text that is required to be on the bills per DOH requirements. It also achieves a water use efficiency conservation goal to present members with past usage comparative data. The new proposed format was presented to the board.

Staff recommends that the Association use this new billing format going forward. The board verbally agreed to use this new format going forward.

2013 Ford F150 Truck Repair- Manager Kemmis informed the board that the Association's 2013 Ford F150 truck appears to have a transmission fluid leak and that it needs to be fixed right away. The truck is currently not being used by staff and will be stored until the repair can take place. Staff anticipates this repair to cost around \$2,500.00. Staff will work to get some quotes for the repair from local transmission shops so the manager can select the best option.

Current Staff Operations During COVID-19 Pandemic- Manager Kemmis informed the board that all staff members at the Association are in full compliance with recommendations being made by authorities having jurisdiction. As the work considered absolutely necessary to keep the Association operational is identified he hopes to keep staff members Clarke and Klicker working full time and take some of his vacation time if the required events will allow it. Every staff member has equipment at home now necessary to perform basic job tasks from home should someone need to self-quarantine. Staff continues to evolve and solve issues presented in these changing times very well.

Staff Evaluations- Staff reported that employee evaluations and an audit process to determine if sick and vacation time has been documented appropriately have been completed. Manager Kemmis told the board that they are invited and welcome to review the evaluations if desired. President Bartell will review the manager's evaluation and sign it as the supervisor for the position. The evaluation results for all staff members are favorable.

Budget Review- Rodney reminded the board that staff and the president will need to begin their review of the budget in order to create the new budget for the next fiscal year. The president will need to present the draft budget to the board prior to the new fiscal year for board approval. Staff will work with Rodney and the president to start the process.

Booster Pump Station #2 Maintenance- Manager Kemmis reported that Trustee Cox performed some basic electrical work at the Association's Booster Pump Station #2.

Studded Tire Seasonal Change- Staff reported that it is currently working to change tires on all Association vehicles from the winter studded tires to spring and summer use tires to follow Washington state law.

Call to Adjourn Meeting

Motion made by Treasurer Tyler Eshleman, seconded by Trustee Don Kemmis. The motion passes. The meeting was adjourned at 8:02 p.m.