

## THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

January 8th, 2019

The Three Lakes Water Association Board of Trustees held their January 8th, 2019 Board Meeting at 7:00 p.m. at the Association office located at 17503 58<sup>th</sup> St SE, Snohomish, Washington, 98290.

### **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: Treasurer Tyler Eshleman, Secretary Ray Cox (by phone), Trustee Don Kemmis, and Trustee Jay Klicker. Vice President Chad Davis and Trustee Jack Huffman were excused. Trustee Matt Mead was unexcused.

*Secretary Ray Cox enters the meeting by phone at 7:05 p.m.*

**Members, Guests & Employees-** Engineer Rodney Langer of CHS Engineers, and staff member Kaila Kemmis were present. Renee McCann, acting as recording secretary, was present. The following member was also present: Susan Kemmis. The following guests were present: Phil Vachon, Grant Vachon, and Richard Kimberlin.

**Guest Presentation-** Guest in attendance Phil Vachon made a presentation to the board of trustees. The Association approved a joint Developers Extension application for Phil Vachon and Richard Kimberlin with the conditions outlined in CHS memorandum dated December 7<sup>th</sup>, 2018 at the December meeting. Phil informed the board that he and Richard prepared a recovery agreement that they both wished the board to take into consideration. The proposed recovery agreement document was provided to everyone present in the board room. The board discussed the agreement and decided to table any action until the next board meeting.

*Guests Phil Vachon, Grant Vachon, and Richard Kimberlin exit the meeting at 7:28 p.m.*

**CHS Engineers' Report-** Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on January 4<sup>th</sup>, 2019. Highlights of the monthly CHS report are summarized as follows:

**176<sup>th</sup> Capital Improvement Project-** Rodney reported that CHS supported staff in reviewing contract documents from the contractor prior to the president signing the documentation. A preconstruction meeting is scheduled between staff, Rodney, contractor B & L Utility, Inc., and a representative from the company that will be removing trees on Thursday, January 10<sup>th</sup>, 2019.

**Water System Plan-** Rodney informed the board that his report shows that there was no action on this item, but he has been working on this in the last few days. There are ten chapters that will need to be completed for this plan and he has

completed the first three. He will continue to coordinate with staff on this plan until completion and expects to provide a complete draft at the next meeting.

**Rivertown Homes II DE-** See Old Business

**Telemetry Upgrade-** CHS updated the concept plan for this project and provided it to the vendor Systems Interface Inc. Rodney anticipates having a proposal from the vendor by the next board meeting.

**169<sup>th</sup> Ave SE Water Main Replacement Project-** No new action.

**2018 Rate Review-** CHS is continuing the process of performing the annual review of the Association's water rates. Rodney is coordinating with staff to analyze the water usage data.

**153<sup>rd</sup> Water Main Developer Extension Application-** Rodney provided general support to staff.

**Flowing Lake Park Entrance Upgrades-** No new action.

### **Manager & Cross Connection Report**

Staff member Kaila Kemmis presented a summary of the manager report, which was e-mailed and provided to the Board on January 4<sup>th</sup>, 2019. Highlights of the monthly manager report are summarized as follows: Manager Kemmis and Staff Member McCann met with Phil Vachon and Richard Kimberlin on December 19<sup>th</sup>, 2018 to discuss the construction sequence of the 153<sup>rd</sup> Water Main Developer Extension Application. Manager Kemmis continues to correspond with Pump Tech regarding the potential replacement of pump two and replacements of bearings and seals on pump one. Staff informed the board that requests to provide contact information were made to each property owner whose property is part of the construction area for the 176<sup>th</sup> Capital Improvement Project. Staff received responses from two out of three property owners. Manager Kemmis met with B & L Utilities, Inc. on January 3<sup>rd</sup>, 2019 and received contract documentation from them. The documentation was signed by President Bartell on January 4<sup>th</sup>, 2019. The City of Everett has planned several shut downs on their Transmission Line #5 in order to replace valves at their filter plant. Their third shut down will begin at 10:00 p.m. on January 9<sup>th</sup> and service should return to normal on their transmission line by 9:00 a.m. the following morning. Staff members who attended the most recent EWUC meeting learned that City of Everett is planning another shut down on their Transmission Line #5 in order to replace leaking couplings. This shut down is tentatively scheduled to occur in March. Staff has received several inquiries about the accuracy of the Association's Neptune radio read meters. Staff contacted the manufacturer of the meters and were told they have a high level of accuracy and that they cannot over register a volume of water through the meter body. Staff compiled salary information per the board's request and it is ready for board review. Graphs

showing financial and master meter volumes have been updated and are on the wall for board review. Staff has begun the process of preparing the Water Use Efficiency report, which is due to the Department of Health by March 31<sup>st</sup>, 2019. The report initially shows unaccounted for water for the year 2018 to be 14.19 percent, which is less than the previous year 2017 at 29.94 percent. The Association has begun participation in the Employment Security Department's Paid Family & Medical Leave program as required by law. The Association's CPA has completed and filed the following yearly tax forms for 2018: W2's, W3, and 1096. Tax form 1099 will be completed by the CPA once they have installed software that will allow them to file it. All W2's will be provided to Association employees by January 31<sup>st</sup>, 2019. Staff purchased two laptops to replace aging computers in the Association office. An information insert was mailed with the December billing to all members. Heavy rain has caused water damage within the Association's office front entrance area. Staff will work to repair the damage and prevent future damage.

### **Addendum to Manager & Cross Connection Report**

Manager Kemmis met and spoke with member Doug Knorr on January 4<sup>th</sup>, 2019 about the relocation of his water meter and construction near the Association's existing facilities. Staff will support the member during construction on his property. Staff submitted the annual blanket application and quarterly blanket report to Snohomish County Planning and Development Services. Staff got confirmation that both items were received. A notification from the Department of Revenue was received about the tax exemption renewal, which is due March 31<sup>st</sup>, 2019. Staff will work to complete this process. Staff began updating the emergency response plan, which has not been updated since 2011. Staff reminded trustees that have not completed their signer cards at each of the Association's banking entities that they need to be completed.

### **Approval of December 11<sup>th</sup> Board Meeting Minutes**

*Motion made by Treasurer Tyler Eshleman to approve December's minutes, seconded by Secretary Ray Cox. 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 January 8<sup>th</sup>, 2019 (attached). Total funds on hand are \$1,380,315.24. One transfer was made for \$51,000.00 to cover the bills from the KeyBank account. One transfer was made for \$9,000.00 from a capital account to an operating account to accommodate the capital reconciliation for the second quarter of fiscal year 2018/2019. 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- \$273,208.21

Capital- \$1,044,639.12

Reserve- \$62,467.91

Total Expenses- \$47,109.62

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 Jay Klicker. The motion passes.*

**President-** Bob signed contract documentation for the 176<sup>th</sup> Capital Improvement Project and briefly looked over salary data gathered by staff.

**Vice President-** Not present.

**Secretary-** Ray signed share certificates and bills due before the January meeting.

### **Old Business**

**Rivertown Homes II DE-** Rodney informed the board that construction is nearing completion on this project. He sent a reminder email to the developer about all documentation needed for the closeout of the developer's extension process. Staff informed the board that tie-in work is scheduled with a contractor for January 9<sup>th</sup>, 2019. The developer has told the Association that he would like water service as soon as possible. All documentation for the closeout of this DE will need to be provided before the Association can provide water service. Rodney recommended that the board consider authorizing the President or Vice President to accept the DE as complete upon advice of such from the manager and CHS Engineers.

*Motion made by Trustee Don Kemmis to authorize the President or Vice President to accept this developer's extension as complete upon advice as such from Manager Kemmis and CHS Engineers, seconded by Treasurer Tyler Eshleman. The motion passes.*

### **New Business**

**153<sup>rd</sup> Water Main Developer Extension Application-** The board requested for Manager Kemmis to explore and identify an appropriate draft late comer agreement for consideration and discussion purposes.

**General to Capital Funds Transfer-** Manger Kemmis told the board that in the past the board took action to allow the transfer of funds from general to capital accounts. The purpose of this transaction was to take a part of each member's water rates and put those funds towards capital improvement projects for the Association. The total combined monthly DWSRF transfers equaled or exceeded the amount needed to meet this goal. Staff satisfied the motion's intensions through this process. This year Manager Kemmis suggests one large transfer

from general to capital funds in order to put more of the Association money towards capital improvement projects. He said that staff will work with Rodney to determine an appropriate amount for a transfer and let the board know the proposed amount.

**Wage Consideration Plan-** Treasurer Eshleman suggested that the board look at and consider the salary data gathered by staff at the February board meeting. He also suggested that the board consider providing rubber muck boots to staff for outside work during the winter time, which would keep their feet more dry than traditional leather boots. Manager Kemmis stated that he needs the additional support that leather boots provide and would not be able to work safely in rubber boots.

*Motion made by Treasurer Tyler Eshleman to authorize the Association to provide all staff members with a pair of sturdy rubber boots for no more than \$100.00 each, seconded by Trustee Jay Klicker. The motion passes.*

### **Call to Adjourn Meeting**

*Motion made by Trustee Jay Klicker seconded by Treasurer Tyler Eshleman. The motion passes. The meeting was adjourned at 8:32 p.m.*