

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

October 13th, 2020

The Three Lakes Water Association Board of Trustees held their October 13th, 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 7:00 p.m. by Vice President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Treasurer Tyler Eshleman, Trustee Donald Kemmis, and Trustee Doug Knorr. President Robert Bartell was excused. Secretary Raymond Cox and Trustee Chad Davis were unexcused.

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. Member Terra Nicolle 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 October 12th, 2020. Highlights of the monthly DEA report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that some record drawing and cost information has been received for this project. DEA will be reviewing the information to ensure its adequate. There are still additional items needed from the developer for the closeout of this project. Staff is still attending meetings to support the developer and contractors during this project.

48th and 177th Ave SE Water Main Potential Project- Rodney reported that project action is pending staff review of draft plans. Manager Kemmis informed the board that this project is currently on hold due to guidance from the Department of Health recommending utilities to hold any construction projects which are not directly related to a public safety concern during the current COVID-19 pandemic.

Booster Pump Station #1 Property Investigation- See Old Business

181st Water Main Replacement- See Old Business

Storm Lake Road Phase 2 Water Main Replacement- See New Business

Other Support- Rodney reported that DEA supported the Association during its 2020 Annual Meeting by hosting the meeting virtually on Zoom.

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 October 8th, 2020. Highlights of the monthly manager report are summarized as follows: A main break occurred on September 30th, 2020 on Storm Lake Road. The break was repaired by contractor Puget Sound Tapping Services. Contractor PSTS attempted to repair the main three times because the main broke near the initial repairs as the main was re-pressurized. A good section of main was eventually discovered. Manager Kemmis reported that the AC main in that area is in poor condition. Staff continues to monitor communication coming from authorities having jurisdiction in response to the current COVID-19 pandemic to ensure the Association is in compliance with any guidance. Staff is performing actions outlined in the Member Assistance Program and monitoring members who have requested to participate. Manager Kemmis required an interim test for the backflow assembly as Booster Pump Station #1 to confirm that its operating properly. The test occurred on October 6th, 2020 and results were satisfactory. A member contacted Manager Kemmis on October 1st, 2020 and reported no water. Staff responded and found that meter facilities had been damaged. Repairs for the facilities were scheduled for the next day. The facilities were repaired on October 2nd, 2020 by contractor PSTS and staff. Staff met with Rodney Langer of DEA on September 18th, 2020 to discuss the annual meeting and field surveys for the Booster Pump Station #1 and 181st Avenue SE projects. Multiple inquiries about the Verizon cell lease have been received by Manager Kemmis. A company offered to purchase the cell lease from the Association. Staff provided basic information about the lease to the company. The company proposed a cash offer in the amount of \$340,000.00 for the purchase of the cell lease. The board agreed that the Association should not respond to the offer or share any specific lease information at this time. The 2019/2020 Financial Statement was reviewed by staff and finalized by the Association's CPA. The 2020 Annual Meeting was held virtually on October 5th, 2020. Mailed paper ballots have been received by staff and were tallied to announce the trustee election results at this meeting. Staff is working with KeyBank to make changes to the Association's online bill payment system to enhance security. Staff anticipates that the changes will be implemented soon, and the membership notified. KeyBank informed staff that the Paycheck Protection Program forgiveness application is expected to become available to the Association on November 2nd, 2020. Staff plans to work with board trustees to complete the application once it is received.

Approval of September 8th Board Meeting Minutes

Motion made by Treasurer Tyler Eshleman to approve September's Minutes, seconded by Trustee Don Kemmis. The motion passes.

Approval of October 5th Annual Meeting Minutes

Motion made by Trustee Don Kemmis to approve the 2020 Annual Meeting Minutes, seconded by Trustee Doug Knorr. 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 October 13th, 2020 (attached). Total funds on hand are \$1,410,315.08. One transfer was made for \$80,000.00 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. One transfer was made for \$6,000.00 from an operating account to a capital account to accommodate the fiscal year 2020/2021 Quarter 1 Capital Reconciliation.

Current Financial Info

General Funds- \$404,049.32

Capital- \$963,398.55

Reserve- \$42,867.21

Total Expenses- \$74,305.57

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 Don Kemmis. The motion passes.

President- Not present.

Vice President- Jay reported that he worked with staff to plan to run this meeting in Robert's absence, since Robert Bartell has sold his home and therefore he is no longer a member of the Association as of October 6th, 2020.

Secretary- Not present.

Old Business

181st Water Main Replacement- Rodney reported that a field survey and draft base map was prepared for this project. There is some additional research needed for the project before Rodney will be ready to report results to the board.

Booster Pump Station #1 Property Investigation- Rodney reported that a field survey and draft base map was prepared for this project. Additional review is being coordinated with staff.

New Business

2020 Annual Meeting Trustee Voting Results- Staff reported that mail ballots for the annual meeting had been received and results tallied. Staff reminded the board that there are currently two vacant trustee positions (Positions 4 and 6).

The board has the authority to appoint an interim trustee into a vacant position if there is a member who would like to join the board. Trustee election results were announced by staff.

Recording Secretary Renee Clarke announced voting results:

Raymond Cox- 3 year term (Position 1)

Tyler Eshleman- 3 year term (Position 2)

Terra Nicolle- 3 year term (Position 3)

Motion made by Trustee Doug Knorr to remove Chad Davis and Robert Bartell from the Board of Trustees and add member Terra Nicolle to the Board of Trustees effective October 13th, 2020, seconded by Trustee Donald Kemmis. The motion passes.

Election of Officers- Rodney created Zoom polls for the board to vote for officers. Any Trustee who is not present has the right to decline the elected officer position when present at a following board meeting.

The Officer positions for October 2020 through October 2021 are as follows:

President- Jay Klicker

Vice President- Tyler Eshleman

Secretary- Raymond Cox

Treasurer- Donald Kemmis

Alternate- Doug Knorr

Banking Signature Card Updates- Staff informed the board that there is some housekeeping work needed to update Association banking signature cards. There are a few trustees on them who are no longer board trustees after the annual meeting. Staff recommended that the board take action to remove the two individuals who are no longer board trustees and create a few new signers to ensure that there are adequate resources to accomplish Association banking needs.

Motion made by Treasurer Donald Kemmis to remove Chad Davis and Robert Bartell from all Association banking entity signature cards effective October 13th, 2020, seconded by Trustee Doug Knorr. The motion passes.

Motion made by Treasurer Donald Kemmis to make the following trustees' signers on all Association banking signature cards effective October 13th, 2020: Raymond Cox, Tyler Eshleman, Donald Kemmis, and Doug Knorr, seconded by Trustee Doug Knorr. The motion passes.

Loan Options for Water Facility Replacement- Rodney reported that Manager Kemmis directed him to review current loan program opportunities through the Environmental Protection Agency's federal Drinking Water State Revolving Fund

program. The Department of Health informed staff of loan opportunities. The goal of a loan would be to fund aging water facility replacement work. There are plans for a loan to replace facilities as noted in the existing Comprehensive Water System Plan. After review, Rodney and Manager Kemmis agreed that the Association should not apply for a DWSRF loan to replace facilities at this time. There is another state loan program established specifically towards replacement of aging distribution components that staff and DEA plan to research.

Board President Email- President Klicker asked staff for access to the president@3lwa.org email. Staff informed him that they will help him get the email transferred.

General Manager Supervisor Reporting- Manager Kemmis informed the board that the Board President has overseen the General Manager in a supervisory role. He requested that the General Manager report to the Vice President this year.

Motion made by Vice President Tyler Eshleman to authorize the Vice President to serve as the supervisory role for the General Manager until October 12th, 2021, seconded by Trustee Doug Knorr. The motion passes.

As-Built Updating- Staff informed the board that copies of Association records have been provided by Rodney during his transition to David Evans and Associates, Inc. The records include drawings, construction, and design documents. Manager Kemmis is working with Rodney to understand the costs for DEA to scan Association records drawings to create electronic records for redundancy. He would also like to create a catalog for the electronic records and put it on a computer for staff to use while in the field. The board verbally agreed that this is a good idea.

Storm Lake Road Phase 2 Water Main Replacement- Rodney reported that DEA was directed by Manager Kemmis to revise and update previously created plans for this project to move towards county permitting. The board was informed of this project's resurrection by email on October 1st, 2020. Rodney presented project details to the board. The board discussed the project. He recommended that the board take action to authorize DEA to prepare limited bid documentation and submit permit documentation to the county.

Motion made by Vice President Tyler Eshleman to authorize David Evans and Associates, Inc. to prepare limited bid documentation and submit permit documentation to Snohomish County for the Storm Lake Road Phase 2 Water Main Replacement Project, seconded by Trustee Doug Knorr. The motion passes.

Vice President Announcement- Vice President Eshelman informed the board that he will not attend the next board meeting in November.

Call to Adjourn Meeting

Motion made by Vice President Tyler Eshleman, seconded by Trustee Doug Knorr. The motion passes. The meeting was adjourned at 9:11 p.m.