Three Lakes Water Association Annual Meeting

October 7th, 2025

The mission of Three Lakes Water Association is to protect the health of the public by ensuring safe and reliable drinking water at the lowest cost possible to the members in a responsible manner.

Current Board of Trustees

Members who volunteer to help facilitate the Association as a provider of potable drinking water to approximately 900 parcels.

- Marek Jedrzejewicz: President (4 years serving)
- Tyler Eshleman: Vice President (8 years of serving)
- Terra Nicolle: Secretary (5 years serving)
- Steve Lefebure: Treasurer (1 year serving)
- Donald Kemmis: Trustee (20 years serving)
- Raymond Cox: Trustee (17 years serving)
- Heidi Mann: Trustee (3 years serving)

*Officer positions are voted on by Trustees at the Board meeting following each Annual Meeting of the Members

Association Staff

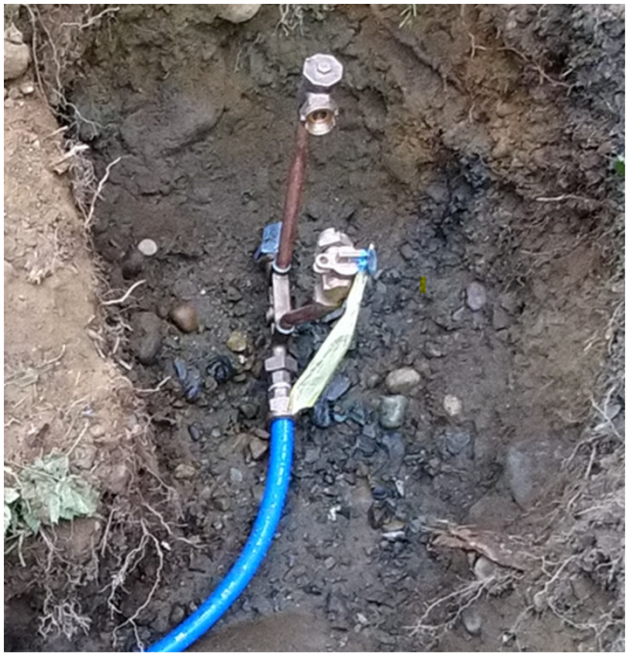
We operate and maintain office and business administration, repair and maintain water distribution main facilities, adhere to all federal, state and local regulations, and respond to any and all water emergencies.

- Donald Kemmis: General Manager
  - 19 years, Water Distribution Manager Level 2 and Cross-connection Control Specialist
- Kaila Klicker: Assistant Manager
  - 11 years, Water Distribution Manager Level 3 and Cross-connection Control Specialist
- Seth Way: Field Technician/Office Assistant
  - 4 years, Water Distribution Manager Level 1 and Cross-connection Control Specialist
- Brittany Henning: Office Administrator/Field Technician
  - 2.5 years, Cross-connection Control Specialist

Your Water System

Your Water System (Continued)

Your Water System (Continued)



Primary Association Contractors

- David Evans and Associates, Inc. (30 years)
  - Engineer Rodney Langer, Water/Wastewater Practice Leader
  - Engineer Zack Worley, Project Engineer/Future Association Primary Engineering Representative
- D&G Backhoe, Inc. (38 years)
  - Contractor for regular maintenance and emergency repairs
- Bellingham CPA Taxes and Accounting, LLC (11 years)
  - CPA for financial analysis and overview, and regulatory reporting
  - Formerly Brian E. Starr CPA, Inc. from 1991-2014
- Inslee Best (8 years)
  - Legal counsel specializing in small water utilities and Associations

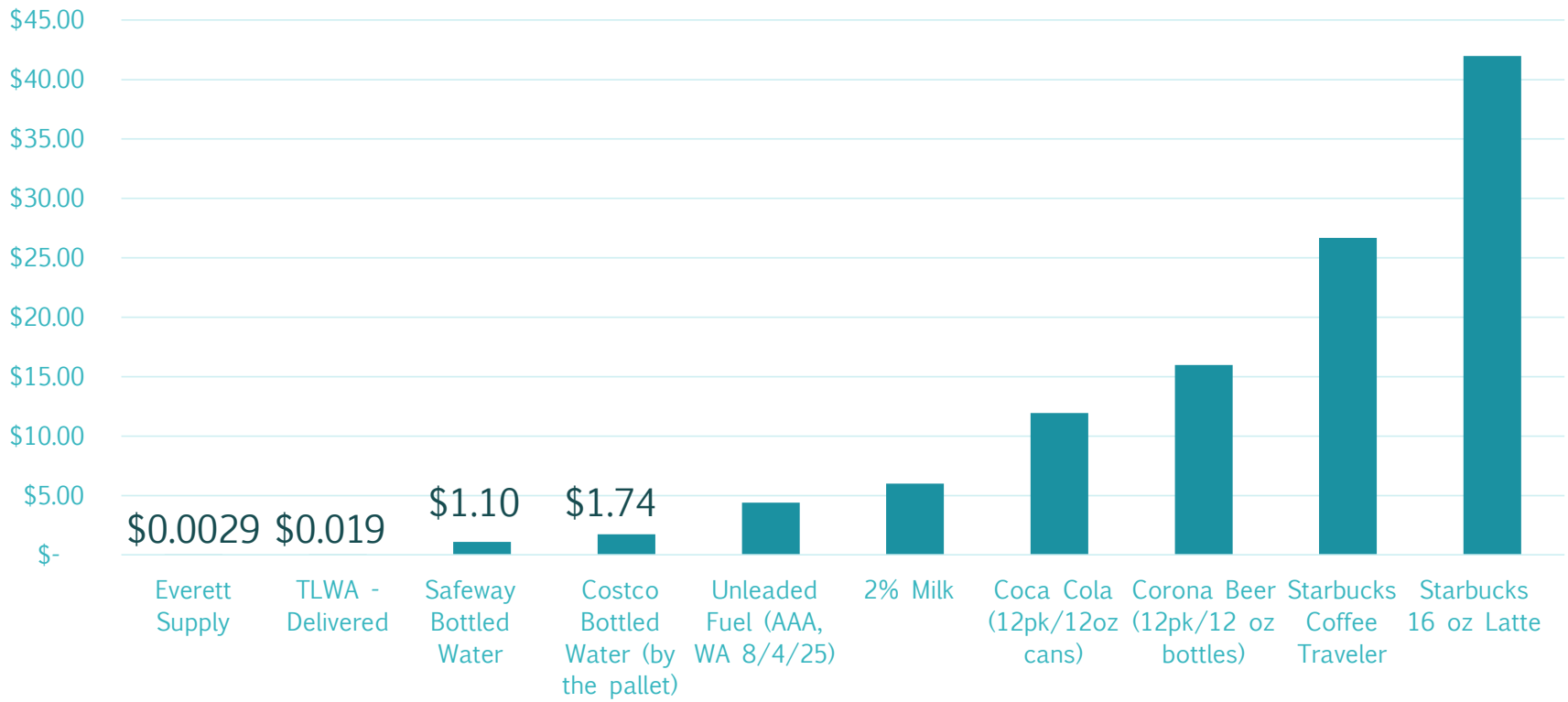
FY 24/25 Financial Report

- Fiscal year: July 1st, 2024 to June 30th, 2025
- Year end cash and receivables: $1,386,453
- Net revenue: $83,576
- CPA-prepared compilation report is available to all members upon request

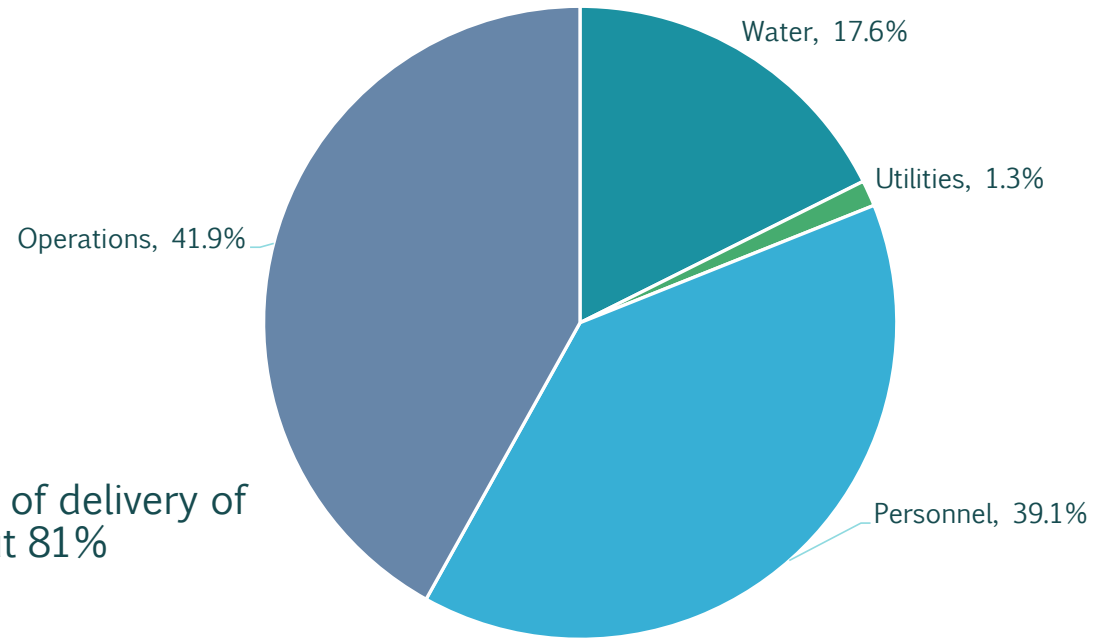
Cash Investments

- Staff researched FDIC insured investment opportunities
- Options were regularly presented to the Board
- Staff facilitated implementation of Board approved investments
- Interest earned in FY 24/25: $23,393.49

Relative Cost of Water per Gallon



Water System Operating Costs – FYE 23-25



"Fixed" costs of delivery of water – about 81%

Allocation of Costs to Members

- Per “ERU” – equivalent residential unit
- ERU based on meter size and relative flow capacity
- One meter per property
- Billing bi-monthly
- Base Rate – includes 600 CF of usage
- Usage Rates – increased cost per tier over 600 CF
  - 601 to 1200, 1201 to 1800, 1801-2400, 2401 to 3000, 3001 plus
  - Tiers scale up by ERU
  - Members that use more pay increasingly more

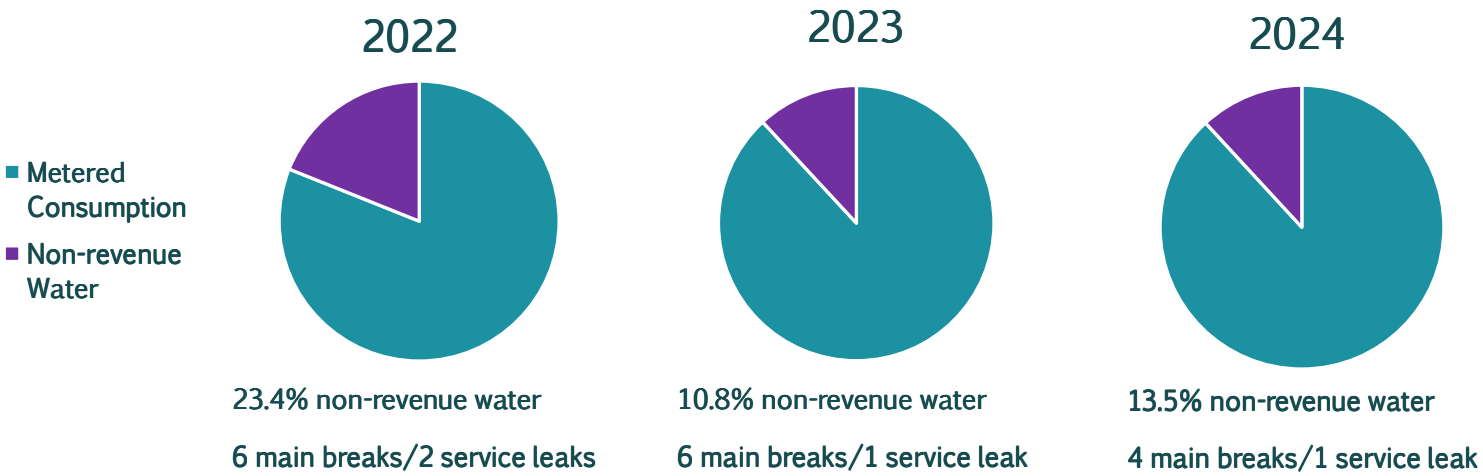
Water Service

- Revenue
  - Water Services Charges (>93% in FY 2025)
  - Connection Charges and Memberships – based on growth
  - Interest, fees, penalties, etc.

- Expenses
  - Water/Utilities/Personnel/Operations
  - Debt Service – four current low-interest loans
  - Capital Improvements – guided by Water System Plan

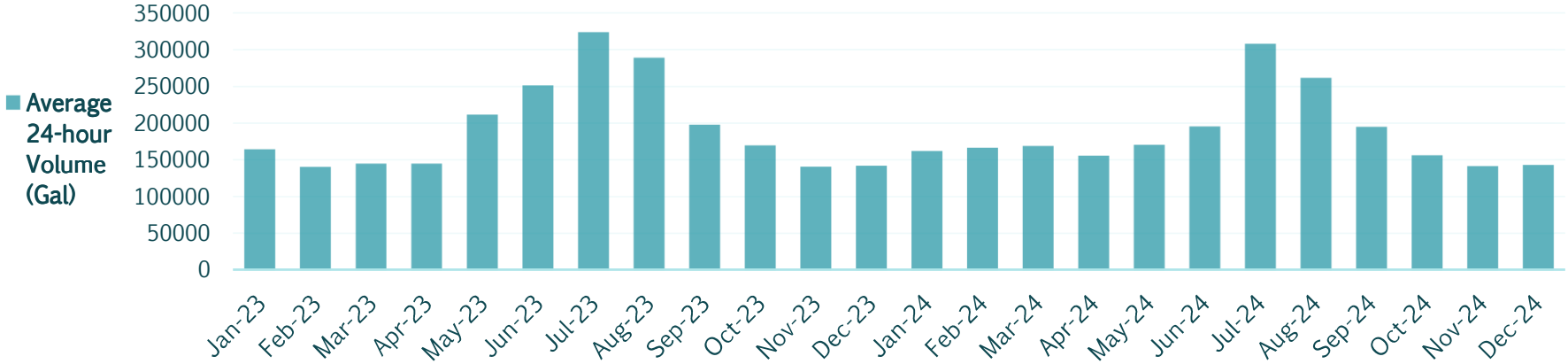
- Annually review prior year financial statements, current year budget, then update 10-year forecast of revenue and expenses to consider changes in service charges

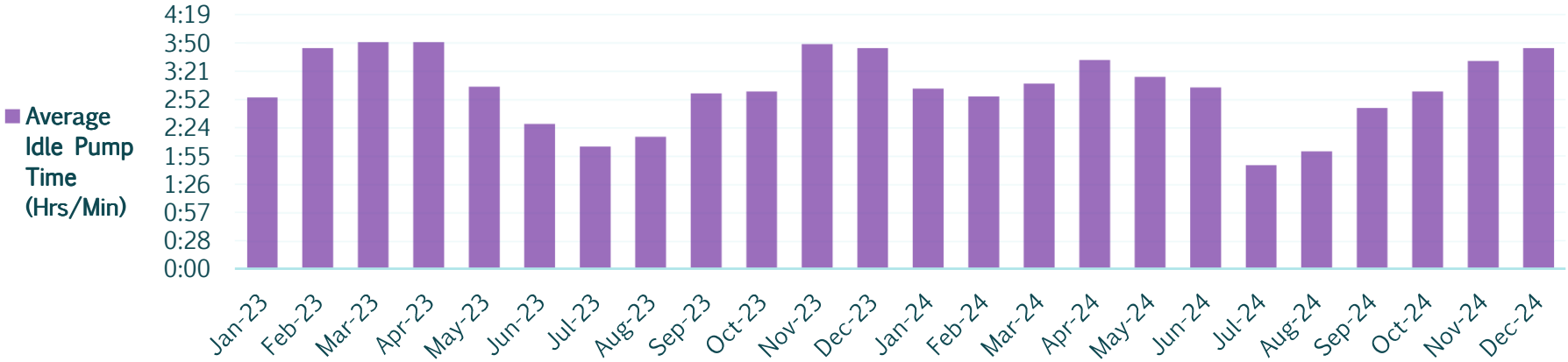
Water Consumption Update



- The Association supports water use efficiency as presented in the Water System Plan.
- Water conservation measures are shared with members in several ways.

Water Consumption Review (Past 2 years)





Association Metrics

Fiscal Year	2023	2024	2025
Length of Pipe (miles)	25.3	25.4	25.4
Hydrants	143	153	161
Valves	182	197	202
Services/Non-users	872 / 4	874 / 13	885 / 5
Share Transfers/New Members	35 / 2	32 / 11	46 / 3
Locates Performed	184	171	191
Total Water Quality Samples Collected	629	631	630

*All water quality samples were satisfactory

171st Ave SE AC Water Main Replacement

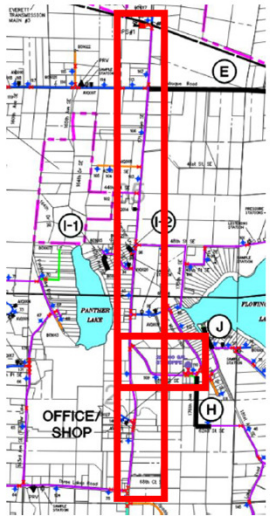
- Project objective is to replace 60-year-old AC main between critical system supply facilities
- Phase 2 is complete, 6,200 linear feet of DI main
- 3,500 linear feet of DI main is being installed as part of Phase 3
- Includes four segments: 58th St SE, 58th St SE to E Wishon, 62nd St SE, and 163rd Ave SE
- With all phases complete, total system AC main reduced from 58% to 44% remaining
- Project is funded by state loans with 2.25% interest for the construction phase

Project Information Summary - Preliminary
AC Water Main Replacement Project
Three Lakes Water Association

David Evans and Associates, Inc.
March 7, 2022

Objective:
Complete a water main project to improve the reliability of the system and reduce risk of property damage as a result of a main break, along the primary supply mains that remain as AC pipe. This would be the first phase of the multi-phase project identified in the 2019 LUE Capital Improvement Plan as Project I-3.

- 171st Ave SE from Three Lakes Rd to 58th St SE: approximately 3,600 linear feet with 17 short-side services and 14 long-side services.
- 171st Ave SE from 58th St SE to BPS #1: approximately 8,200 linear feet with 34 short-side services and 6 long-side services.
- 58th St SE from 171st Ave SE to 176th Ave SE: approximately 2,100 linear feet with 10 short-side services and 5 long-side services.



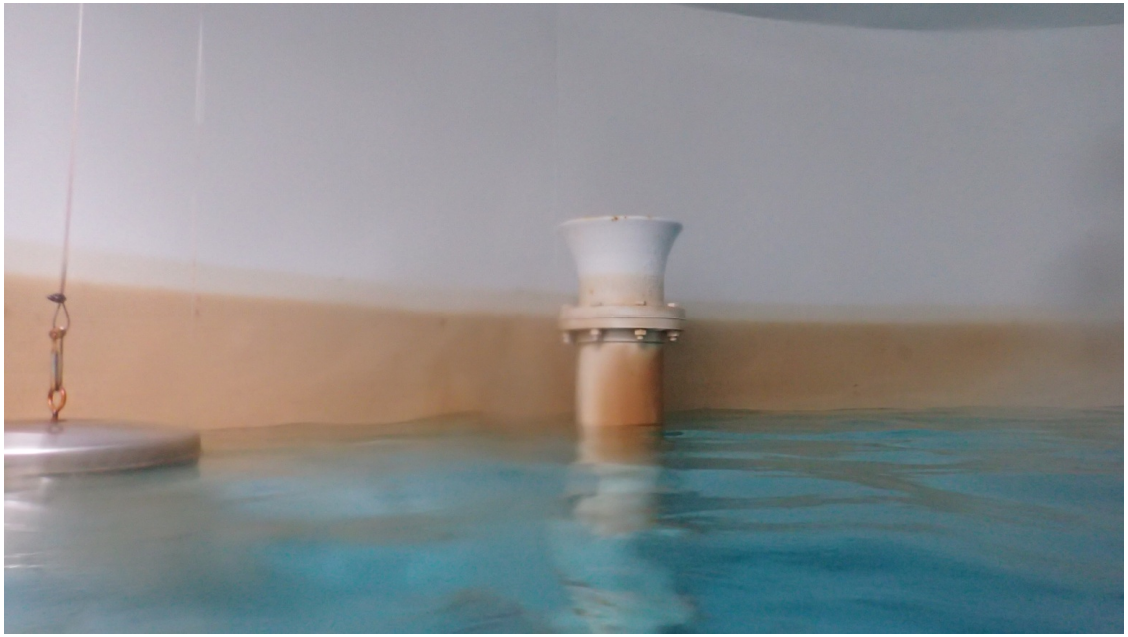
Benefits:
The storage facility is served by existing AC main, from both BPSs. The existing main has experienced multiple breaks in the area from Dubuque Road to BPS #1 including two in the intersection at 171st Ave. SE. The 6" diameter constrains flow capacity from BPS#1. This main is the "backbone" of the supply system.

Challenges:
The project area is along heavily traveled roadways with varying terrain, narrow or no shoulders and potentially limited space in the right of way outside the existing roadway. In places, the replacement main may need to be routed in the roadway or on new easements from one or more property owners depending on the location of the existing roadway and best place to install the new main.

The project alignment is potentially adjacent to critical areas including steep slopes, wetlands, and their buffers. Further investigation will be necessary to identify applicable areas and their buffers and evaluate opportunities to avoid or mitigate impacts, if any, to such areas.

2025 Tank Cleaning and Inspection

- Interior/exterior confirmed to be in excellent condition
- Tank is 14-years-old and was a one-million-dollar investment
- Previously cleaned in 2018
- Next cleaning scheduled for 2032



Lead Service Line Inventory

- Second submittal provided to Department of Health on September 17th, 2025
- Required for continued compliance
- DOH confirmed last year's submission complied with all required elements
- View the inventory at: https://www.3lwa.org/lead-service-inventory

Location Identifier Street Address	System-Owned Portion Service Line Material Classification	If Non-Lead in Column G, Was Material Ever Previously Lead?	Service Line Installation Date	Service Line Size
Water systems must track addresses of all service lines in their internal inventory. For the publicly accessible version, location identifiers are required for lead and galvanized requiring replacement. If the system does not use addresses for their location identifier, other options could include GPS	*Dropdown list includes recommended subclassifications. If "Non-Lead Other", describe in Notes field*	*Select Yes, No, or Don't know. Important for determining if downstream/ customer-owned galvanized service line requires replacement*	*Date, year, or estimated date range when the service line was installed or replaced*	*Diameter in inches*
6316 151st Ave SE, Snohomish, WA 98290	*Non-Lead - Copper*	*No*	*1964*	*3/4*
6319 151st Ave SE, Snohomish, WA 98290	*Non-Lead - Copper*	*No*	*1964*	*3/4*
6429 151st Ave SE, Snohomish, WA 98290	*Non-Lead - Copper*	*No*	*1964*	*3/4*
6226 151st Ave SE, Snohomish, WA 98290	*Non-Lead - Copper*	*No*	*1972*	*3/4*
6515 151st Ave SE, Snohomish, WA 98290	*Non-Lead - Copper*	*No*	*1977*	*3/4*
6330 151st Ave SE, Snohomish, WA 98290	*Non-Lead - Copper*	*No*	*1979*	*3/4*
6326 151st Ave SE, Snohomish, WA 98290	*Non-Lead - Other*	*No*	*1990*	*3/4*

Verizon Cell Lease

- $32,715.93 in rent and escort time was received from Verizon in FY 24/25
- Revenue towards the Association's infrastructure replacement fund
- Verizon upgrade is near completion
- Increase in rent to support the Association's capital improvement program

November 2024 Windstorm

- System operated by staff manually and by generator power for 2 weeks
- Main break occurred at the peak of the storm
- Road and system access were obstructed by trees
- Widespread facility damage

Member Response

- AutoPay added on our payment portal for Member use
  - Implemented based on popular Member request
  - One-time payment option still available
  - Staff continues support for payment portal
- Ongoing communication with Members for advocacy of conserving this crucial resource
- Responsive service to address Association system matters and general guidance for Member system needs

Project Updates

- Water System Plan as adopted by the Board was approved by DOH and valid through November 2033
- Assistant Manager Klicker obtained her WDM3 certification
- Staff Henning obtained her CCS certification
- 2-lot developer extension in process
- GIS mapping activities continue
- All manuals and programs continue to be updated
- Digital data acquisition activities continue
- Enhanced resiliency planning continues in anticipation of climate change

Trustee Input

Appointment and Election of Board of Trustees Policy

I. Considerations for Appointing a New Trustee

A. The Board of Trustees shall consider the following criteria in evaluation of members for appointment by the Board to an open Trustee position.

1. ***The member should be present at the initial meeting where appointment of the Board of Trustees is an agenda item, and express interest in serving on the Board of Trustees.***
2. ***The member should be in good standing with the Association. The member should have complied with all their explicit obligations, while not being subject to any form of sanction, suspension or disciplinary censure. This includes compliance with the Association By-laws, Articles of Incorporation and Water Users Policy.***
3. ***The member should be acting in good faith, and it should be reasonably believed that their participation on the Board will be in the Association's best interests and not for their own personal benefit.***
4. ***The member should not have been a party to any transaction within the prior 12 months that involves the transfer of assets to, through or from the corporation for the benefit of anyone associated with the corporation other than in the course of the typical relationship of Association/employee or Association/customer.***
5. ***The member should not have been involved in litigation with the Association or another corporation with a similar purpose within the past 10 years.***
6. ***The member should not have made public that they have any personal issues with a current employee or Trustee.***

II. Considerations for Electing a New Trustee

A. Prior to opening voting for open Board of Trustee positions at the Annual Meeting of the members, the Board shall share this policy with the members as recommended considerations in electing Trustees.

Trustee Nominations and Voting

- Position 7 (three-year term)
- Position 8 (three-year term)
- Position 5 (two-year term)
- Position 2 (one-year term)

Nominations

Questions?

- Thank you all for attending