

## **THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES**

**June 8<sup>th</sup>, 2021**

The Three Lakes Water Association Board of Trustees held their June 8<sup>th</sup>, 2021, 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 7:05 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Secretary Raymond Cox, Treasurer Donald Kemmis, and Trustee Doug Knorr. Trustee Terra Nicolle was excused. Vice President Tyler Eshleman was 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.

**DEA Engineers' Report-** Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on June 7<sup>th</sup>, 2021. Highlights of the monthly DEA report are summarized as follows:

**Flowing Lake Park Water Service-** See Old Business

**Storm Lake Road Phase 2 Water Main Replacement-** Rodney reported that final steps for this capital improvement project are pending staff review of the record drawings.

**Booster Pump Station #1-** See Old Business

**Verizon Facilities Modifications-** See Old Business

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

Assistant Manager Kaila Klicker presented a summary of the manager report, which was e-mailed and provided to the Board on June 4<sup>th</sup>, 2021. Highlights of the monthly manager report are summarized as follows: Staff reported that there have been intermittent telemetry failures daily with the Association's telemetry SCADA system. Staff is working with Royce from Systems Interface, Inc. and Ziplly Fiber to solve issues causing the failures. Staff continues to work with Secretary Cox to make repairs to the office site generator with the goal to make the unit functional again. PumpTech, Inc. notified staff that the new pump unit for Pump Number Three at Booster Pump Station

#2 has arrived, and they are coordinating with staff to schedule a time for installation, alignment, and bearing work. The Association has been awarded grant status for the Paycheck Protection Program loan.

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

Staff reported that the Association received a Developer's Extension application and payment on June 7<sup>th</sup>, 2021, for the development Sequoia Ridge. The new wages were established on May 3<sup>rd</sup>, 2021, as defined by the Three Lakes Water Association five-year employee wage plan that was authorized by the board at the May 14<sup>th</sup>, 2019 board meeting.

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

*Motion made by Treasurer Donald Kemmis to approve May's Minutes, seconded by Secretary Raymond Cox. The motion passes.*

### **Officers Reports**

**Treasurer Report and Pay Bills-** Staff member Renee Clarke presented a summary of the treasurer report. The financial report was prepared and distributed to the Board summarizing the financial position through June 8<sup>th</sup>, 2021 (attached). Total funds on hand are \$1,330,703.96. One transfer was made for \$55,000.00 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- \$450,250.36

Capital- \$765,526.43

Reserve- \$114,927.17

Total Expenses- \$60,106.96

Funds were transferred to the Standpipe, Pump House, and Mero restricted accounts.

*Motion made by Trustee Doug Knorr to approve payment of the bills as presented, seconded by Secretary Raymond Cox. The motion passes.*

**President-** President Klicker reported that he spoke with Manager Kemmis about staff planning. He also discussed the Booster Pump Station #1 project with staff.

**Vice President-** Not present.

**Secretary-** Secretary Cox reported that he signed share certificates and checks due before the June meeting. He also discussed the Booster Pump Station #1 project with staff.

### **Old Business**

**Flowing Lake Park Water Service-** Rodney informed the board that the remaining work by the developer, Snohomish County, for this Developer's Extension includes legal description for an easement to be relinquished, record drawings, bill of sale with certification of costs, and a maintenance bond. Rodney requested a status on the remaining work on May 10<sup>th</sup>, 2021 and received no response on the easement and costs items. Staff and DEA reviewed the record drawings and sent back comments to the county on June 7<sup>th</sup>, 2021. A representative for Snohomish County contacted staff and Rodney to inform them that the appropriate party did not sign the original DE agreement and requested a new DE agreement form for signature. Upon review of the original DE agreement, Rodney discovered that it terminated in February of 2021. Rodney coordinated with the Association's attorney to seek the correct course of action and determined that in this case a new DE agreement is necessary. Rodney recommended that the board authorize the board president to execute a new DE agreement with Snohomish County to address project completion substantively per the standard agreement and requirements.

*Motion made by Treasurer Donald Kemmis to authorize Board President Jay Klicker to execute a new Developer's Extension Agreement with Snohomish County to address project completion through September 30<sup>th</sup>, 2021, and waive the standard Developer's Extension application fee, seconded by Trustee Doug Knorr. The motion passes.*

**Member Assistance Program Update-** Staff informed the board that Governor Jay Inslee's Proclamation 20.23 has been extended through July 31<sup>st</sup>, 2021, which disallows the Association from charging late fees or disconnecting services due to nonpayment. Staff is creating a notification to be enclosed with the June water bills to notify the membership that all the procedures outlined in the Association's Revenue policy will be reinstated once the proclamation becomes inactive. An update to the Association's COVID-19 Member Assistance Program policy was presented to and discussed by the board. The policy outlines procedures for staff to handle members who have delinquent account balances that are over the shut off threshold. The goal is to create a vehicle for those members who have been participating and following through to address and lower their delinquent account balances owed to the Association with the COVID-19 Member Assistance Program. Staff recommended that the board approve the updates to the COVID-19 Member Assistance Program policy.

*Motion made by Treasurer Donald Kemmis to update the Member Assistance Program and delegate Assistant Manager Kaila Klicker to clarify the wording of the policy, seconded by Trustee Doug Knorr. The motion passes.*

**Annual Rate Review Update-** Staff reported that a discrepancy was found in the DEA memo which the board authorized as reflective of the rate increase effective July 1<sup>st</sup>, 2021. A rate table in the memo did not correctly reflect the increase of

\$134.00 per ERU for the larger meter base rates. The notifications sent out to members about the rate increase contained that rate information. Letters were generated by staff for the members with larger sized meters only to inform them of the miscommunication and correct rates. Staff recommended that the board re-authorize the rate increase to continue to utilize the ERU as a basis for fair and equitable billing for the membership.

*Motion made by Treasurer Donald Kemmis to clarify that the billing is based on ERU, and a single ERU is \$134.00 bimonthly effective July 1<sup>st</sup>, 2021, seconded by Secretary Raymond Cox. The motion passes.*

**Verizon Facilities Modifications-** President Klicker informed the board that a committee meeting was held on May 25<sup>th</sup>, 2021. A discussion at the committee meeting occurred about whether an amendment to the current lease agreement was the appropriate way to make changes to the existing lease agreement. Rodney contacted the Association's attorney and confirmed that an amendment to the current agreement is appropriate for this situation, instead of creating a new lease agreement. Staff informed the board that Tilson Technology Management has initially approved a deposit for \$11,000.00 for review but is currently working with Verizon Wireless to create a purchase order for the invoice previously provided by staff. The committee asked Manager Kemmis and Assistant Manager Klicker to seek out other rental agreements to gather some comparison data. Manager Kemmis informed the board that once Tilson Tech informs staff that a purchase order has been created, he will ask Rodney to begin his review of the modification plans to facilities and lease agreement. He recommended another committee meeting to be scheduled after Rodney begins his review so that the review results can be reported to the committee.

**Booster Pump Station #1-** Staff reported that quotes were received by PumpTech, Inc. for a new pump to replace Pump Number One. Originally staff had asked them for a quote for parts and labor to use a standby motor the Association had to replace the pump. PumpTech informed staff that using the standby motor for a replacement unit was not feasible due to product line updates. The preferred option for pump replacement has been identified by Rodney and staff and it will require some piping modifications. Staff met with Rodney onsite at Booster Pump Station #1 to consider and discuss the piping modifications. Secretary Cox assisted staff with some welding work at Booster Pump Station #1 to help prepare the station for pump replacement. Will Pollard, a representative from the City of Everett, assisted staff with conduit relocation to help prepare that station for pump replacement. A replacement fence has been ordered for the site and staff will schedule installation soon. A privacy screen for the fence has also been ordered. Manager Kemmis informed the board that the replacement pump is substantially more expensive than staff anticipated. Rodney told the board that he believes Manager Kemmis is still following the general direction of the motion made at the April board meeting authorizing him to pursue

this site maintenance project including pump replacement. The president determined that there is no further action needed by the board at this time.

## **New Business**

**Draft Fiscal Year 2021/2022 Budget-** Staff reported that they met with Rodney to discuss and prepare a draft fiscal year 2021/2022 budget on May 21<sup>st</sup>, 2021. The draft budget was emailed to President Klicker on May 24<sup>th</sup>, 2021, for his review. He reported that there were no major concerns with the draft. The draft was also emailed to the board on May 26<sup>th</sup>, 2021, for review. President Klicker presented the draft to the board. Staff recommended that the board adopt the new draft fiscal year budget.

*Motion made by Treasurer Donald Kemmis to approve the Fiscal Year 2021/2022 Draft Budget, seconded by Trustee Doug Knorr. The motion passes.*

**Fire Hydrant Flows-** Manager Kemmis informed the board that he was contacted by Jason Hodkinson, a representative with Snohomish County Fire District #4, and he made a request for the Association to identify any and all fire hydrants that flow less than 500 gallons per minute. Staff does not currently retain this specific information. Manager Kemmis thinks the Association should respond to this request as it directly relates to the safety of the members. The Association can contract Rodney to estimate this information based on the hydraulic model and staff flushing records. The board verbally agreed that the Association should contract Rodney to gather this information so they can respond appropriately to the request.

*Secretary Raymond Cox exits the meeting at 8:17 p.m.*

**Washington State Paid Family & Medical Leave-** Staff presented policy updates to the board for review. The policy outlines the Washington State Paid Family & Medical Leave program that first became active in 2020. The board discussed the policy changes. Doug recommended that the board request staff to gather more information before the board discusses the policy further or take any action to approve the policy updates. The board asked Assistant Manager Klicker to work with President Klicker to gather more information about this topic to understand the Association's requirements and present recommendations to the board. Assistant Manager Klicker informed the board that she will work with the president to gather more information and prepare some recommendations for the board.

**Association Staff Planning-** President Klicker informed the board that he spoke with Manager Kemmis about staff planning and the Association's ability to properly maintain the company operations during some planned staff temporary leave. Staff also informed the board that there is currently a need for additional

personnel on a permanent basis to better meet the Association's goals and needs. Manager Kemmis asked the board to hire an additional part time employee at 30 hours per week starting July 1<sup>st</sup>, 2021. He plans to train this new staff member to take over some duties for other staff members during planned temporary leave events then after those events this staff member will be an additional permanent part time Association employee. Trustee Knorr requested that staff provide a written proposal. Staff agreed to provide a written proposal for board consideration.

**Call to Adjourn Meeting**

*No motion to adjourn the meeting was taken because a quorum of trustees was not present. Board President Jay Klicker adjourned the meeting. The meeting was adjourned at 9:49 p.m.*