

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

May 11th, 2021

The Three Lakes Water Association Board of Trustees held their May 11th, 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 7:04 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Vice President Tyler Eshleman, Secretary Raymond Cox, Treasurer Donald Kemmis, and Trustee Terra Nicolle. Trustee Doug Knorr was excused.

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 May 10th, 2021. Highlights of the monthly DEA report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that there are still items needed from developer Snohomish County for the closeout of this project. Some of the items still outstanding are legal description for an easement to be relinquished, record drawings, bill of sale with certification of costs, and maintenance bond. Rodney requested status on these items on May 10th, 2021.

Storm Lake Road Phase 2 Water Main Replacement- Rodney reported that staff will be providing record drawing notations so the record drawings can be completed, and a closeout report prepared. The final payment, which is the release of the project retainer, for \$9,277.45 has been prepared by staff for board signatures. This last payment will be provided to contractor D&G Backhoe, Inc. after the meeting.

Booster Pump Station #1- See Old Business

Verizon Facilities Modifications- See New Business

163rd Culvert Replacement- Rodney contacted the county to see where they are in the process of designing a project to replace a culvert on 163rd Ave SE near Association facilities. He reported they are still in the data gathering phase, and he will continue to work to understand where they are in the planning

process so later, he can find out what is planned for the crossing and how it will affect the Association.

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 May 7th, 2021. Highlights of the monthly manager report are summarized as follows: Staff reported that a quote was received from PumpTech, Inc. for necessary repairs to Pump Number Three in the amount of \$7,252.12. The quote was authorized by Manager Kemmis and returned to PumpTech. Materials for the repairs have been ordered and repair work will be scheduled once received by PumpTech. Systems Interface, Inc. completed some additional contracted work for the Association to accommodate a new impeller on Pump Number Three. The Association will be participating in the City of Everett's program for lead and copper sampling, which will satisfy the Association's requirement by the Environmental Protection Agency to sample the distribution system for lead and copper. Sample bottles were collected to prepare for the sampling which is planned for August. A new tablet was purchased for preparation for a transition of software from the Association's meter reading handheld device. The tablet will also allow staff to access digital as-built information while in the field. The annual April newsletter was mailed to all members with April water bills. Staff received the Association's new operating permit from the Department of Health on May 4th, 2021. Staff member Clarke worked with Treasurer Kemmis to submit the forgiveness application for the Association's Paycheck Protection Program loan. Staff is now waiting for confirmation that the loan was forgiven by the Small Business Administration.

Approval of March 9th Board Meeting Minutes

Motion made by Vice President Tyler Eshleman to approve April's Minutes, seconded by Treasurer Donald Kemmis. 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 May 11th, 2021 (attached). Total funds on hand are \$1,275,206.80. One transfer was made for \$60,000.00 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- \$399,887.26

Capital- \$769,401.82

Reserve- \$105,917.72

Total Expenses- \$56,360.01

Monies were transferred to both Standpipe, Pump House, and Mero restricted accounts.

Motion made by Treasurer Donald Kemmis to approve payment of the bills as presented, seconded by Trustee Terra Nicolle. The motion passes.

President- President Klicker reported that he will be signing share certificates.

Vice President- Vice President Eshleman reported that he completed the Association's banking signature cards at Bank of America.

Secretary- Secretary Cox reported that he signed some checks for bills due before the meeting and share certificates.

Old Business

Booster Pump Station #1- Rodney reported that he prepared a review of replacement and rebuilt pump strategy and performance. He also discussed a refined approach to electrical components, generator, and other improvements with staff. Staff reported that contractor Puget Sound Tapping Services worked with staff to improve site drainage and facilitate new fencing at Booster Pump Station #1. Staff requested quotes from multiple businesses for fence replacement. A flexible coupling was ordered from Red Valve and is expected to arrive on May 11th, 2021. Manager Kemmis asked for a review by an electrical engineer with DEA to review components at the site. The purpose of the review is to consider the potential for a 60 HP motor to be installed at the site in the future and define a capacity for generator size. PumpTech, Inc. took a standby motor on April 28th, 2021 and will analyze it to see if it would be a viable option for replacing the motor inside Pump Number One. A quote for parts and labor to make the standby motor a viable replacement for Pump Number One was requested by staff. Manager Kemmis informed the board that the amount that has been spent on this project within this fiscal year is quickly approaching the \$14,000.00 previously determined project budget. When the budget for this project was established the replacement of the motor in Pump Number One was not needed at the time. The board verbally acknowledged that the expenses for this project will likely exceed the previously established project budget within this fiscal year, and that staff should continue to move forward with it.

New Business

Trustee Question- Trustee Nicolle brought up a concern to staff. She informed the board that her tenants noticed the water in the ditch in front of her residences has been stagnant recently. Manager Kemmis informed her that the county signed off on all construction work that occurred along the ditch during the Storm

Lake Road Phase Two Capital Improvement Project, but he would take a look. He also recommended they contact the county to request a ditch cleaning.

Reservoir Generator- Staff reported that the generator at the office site failed on April 26th, 2021 during a weekly test cycle. Staff witnessed the failure and immediately turned off the generator. Manager Kemmis asked Secretary Cox if he would be willing to do some work to diagnose and repair the generator, and Cox agreed. Cox determined that some work on the engine is needed including the replacement of head gaskets. Cox also worked to collect the parts needed for the necessary repair work. Staff informed the board that some of the necessary parts have been difficult to source, due to the age of the unit. Manager Kemmis informed the board that he and Cox will attempt the repair work and see if that fixes the issues. He noted that if the repairs do not fix the generator that he will look then to replace the unit, as its function is necessary to operate the pumps in conjunction with the standpipe water levels in the event of a power failure.

Telemetry System Issues- Staff informed the board that there have recently been communication issues with the telemetry system. Staff is working to understand and fix the issues with Royce from Systems Interface, Inc. and Ziplly Fiber. Staff has had to do some work to manually run the system during the issues.

Verizon Facilities Modifications- Staff was contacted by Tilson Technology Management, an engineering firm who said they were representing Verizon Wireless, about a proposed modification to cell equipment on the standpipe and the agreement between the Association and Verizon. Verification that Tilson Tech. is representing Verizon was received by staff. A virtual meeting was held between staff, Rodney, and the Tilson Tech. representative Pamela Turner to discuss the purpose of the project and some preparation for it. Manager Kemmis informed Pamela that an engineering firm, Camp & Associates, Inc. had contacted the Association in a similar manner in 2018 and requested to make modifications to the equipment and agreement, but after Rodney sent them comments from his initial review of the modification plans and they never contacted the Association again. The Association paid for Rodney's work to review the modification plans and send back a response to Camp & Associates, Inc. He recommended that Tilson Tech. work with Verizon to get a deposit, which will be used to pay for DEA's review work and the Association's attorney's time if necessary and pay it to the Association prior to the beginning of any contracted review work of the modification plans. Pamela agreed that a deposit seemed reasonable and requested an invoice to outline the estimated review costs. Rodney supported staff by discussing estimates for his work and attorney review work with Manger Kemmis. An invoice for estimated review work costs was generated by staff and sent to Pamela on May 10th, 2021 for \$11,000.00 as an initial deposit. Staff is waiting to hear back from Pamela if the deposit is approved, once approval is issued then Rodney will begin review work of the modification plans. Manager Kemmis asked the board how they would like to

handle this modification project and suggested the board consider a committee to meet and discuss the modification of the equipment and agreement as needed. The board verbally agreed that forming a committee for this process is adequate. These individuals volunteered to serve on the committee: President Jay Klicker, Secretary Raymond Cox, Treasurer Donald Kemmis, Rodney Langer of David Evans and Associates, Inc. will be involved as contracted support, and Assistant Manager Kaila Klicker will be involved as a staff member. President Klicker informed the committee that a meeting may be scheduled prior to the next regular board meeting, and that everyone will be put in touch by staff. Manager Kemmis also informed the committee that he will have staff provide the full cell lease agreement document for review and reference and some annual earning income information for the lease.

Call to Adjourn Meeting

Motion made by Treasurer Donald Kemmis, seconded by Secretary Raymond Cox. The motion passes. The meeting was adjourned at 8:33 p.m.