

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

December 12th, 2023

The Three Lakes Water Association Board of Trustees held their December 12th, 2023 Board Meeting at 6:00 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 6:03 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Vice President Tyler Eshleman, Secretary Terra Nicolle who logged in at 7:11pm, Treasurer Donald Kemmis, and Trustee Marek Jedrzejewicz. Trustee Yvonne Craig and Trustee Ray Cox were excused. Trustee Heidi Mann was unexcused.

Members, Guests & Employees- Engineers Rodney Langer and Zach Worley of David Evans and Associates, Inc. (DEA), Assistant Manager Kaila Klicker, Staff Member Seth Way and Staff Member Brittany Henning acting as recording secretary, were present.

DEA Engineers' Report-

Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on December 11th, 2023. Highlights of the monthly DEA report are summarized as follows:

Water System Plan Update- Department of Ecology issued approval on water supply review.

171st Water Main Replacement Project- DOH DWSRF Manager confirmed documents for bidding. Revised plans reducing pavement and overlay work and submitted pre-design application to County. Awaiting submittal for right of way permitting. Contract documents finalized and project bids were due December 7th with 13 bids received. 171st Main Replacement Phase 2 work is in progress.

BPS#1: DEA is waiting for confirmation of the completion of the generator punch list and start up reports.

Verizon Cell Equipment Change Documents Review: DEA reviewed the revised construction plans. Prepared draft memo for discussion with the Board.

Big Deer West Developer Extension- DEA received the first set of plans for review, coordination with staff to be scheduled.

Rate Review- Annual work has been initiated on review of finances and rates.

Manager & Cross Connection Report

Assistant Manager Kaila Klicker presented a summary of the manager's report, which was e-mailed and provided to the Board on December 11th. The idle pump time as of December 8th was 4 hours and 5 minutes. Ten system communication failures occurred requiring a response from Manager Kemmis or Assistant Manager Klicker. Starting December 8th, these failures occurred every 12 hours and functionality resumed shortly thereafter. Rounds were performed immediately the next morning after a local earthquake registered on December 7th. Staff Way was performing his usual morning surveillance at BPS#2 when he noticed that the gate and fence were compromised from what appears to be a vehicle exerting excessive force. The City of Everett was contacted, given that Staff Way saw that they were working in that immediate area the previous day when the gate was still intact. A police report was filed, and repairs are needed. Staff Way reported unusual sounds coming from pump #3. Diagnostics were scheduled and performed; however, we continue to work with PumpTech as the issue remains mysterious and potentially an issue. BPS#1 has had multiple roof repairs completed as the rain continues. Studded tires were successfully installed on 2 vehicles, studs are still needed on the Maverick and estimated at \$2,100.00. Verizon Cell Lease Modification is underway and is currently being discussed between entities. Lead and Copper Service Inventory is continuously in motion, all Association sides are known, and 284 services are unknown on member's side. This project is due for report March 2024 to the City of Everett. The initial GIS data entry is complete and was provided to DEA on November 3rd. Another review is needed to move forward. It was confirmed that the Association is under the threshold for opting in/out for the 3M and DuPont PFAS lawsuits. A grant is currently being drafted by Staff Henning and Staff Way in hopes of being granted government reimbursement for added security measures at various points within our water system. Signers are still in need to be completed at Pacific Premier. Two member leaks reported. Bacteriological sampling reports came back satisfactory and awaiting stage 2 disinfection byproducts results to confirm that the water system is delivering water that meets federal and state guidance. Our hope is that the results confirm that the Association will continue a reduced monitoring schedule.

Approval of November 14th Board Meeting Minutes

Motion made by Vice President Tyler Eshleman to approve November's Board Meeting Minutes; motion seconded by President Jay Klicker The motion passes.

Officers Reports

Treasurer Report and Pay Bills- Staff Henning presented a summary of the treasurer's report. The financial report was prepared and distributed to the Board summarizing the financial position through December 12th, 2023 (attached). Total funds on hand are \$1,081,950.67. One transfer of \$63,000.00 was made to cover monthly bills. 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- \$ 395,313.28
Capital Funds- \$ 569,069.02
Reserve Funds- \$ 117,568.37
Total Expenses- \$ 82,121.33

Motion made by Vice President Tyler Eshleman to approve payment of the bills as presented, seconded by Marek Jedrzejewicz. The motion passes.

President- Signed one share.

Vice President- Spoke with Assistant Manager Klicker regarding personal/business matters.

Secretary- Not present at time of report.

Treasurer- All details previously reported.

Old Business

Long-Term Wage Plan- Vice President Tyler Eshleman requested for an Executive Session: The Board agreed to an executive session referencing the previous wage plan and Rodney's financial expertise. President Jay Klicker agreed to convene an executive session to discuss the long-term wage plan, motion made by Vice President Tyler Eshleman, seconded by Trustee Marek Jedrzejewicz. The executive session began at 6:29 p.m. with President Jay Klicker, Vice President Tyler Eshleman, Treasurer Don Kemmis, Trustee Marek Jedrzejewicz and Engineer Rodney Langer. The executive session adjourned at 7:10 p.m. The regular session reconvenes at 7:11 p.m. with all initial attendees present.

New Business

171st Construction Phase 1 Bid- Out of the 13 bids that were submitted for the project on December 7th at 11:00 a.m., the lowest bidder, NewX, did not present documentation to represent that the necessary experience to execute work as a responsible bidder

based on requirements from the contract documents. NewX did not appeal to our determination, D&G Backhoe was the second lowest bidder from all the bids received. D&G Backhoe was contacted to submit their documentation regarding experience in regard to water distribution main replacement projects. Their list included approximately twenty projects over the past five years, clearly exceeding the stated minimum experience as was stated as a requirement in the contract documents.

Motion made by Treasurer Don Kemmis to award the subject contract to D&G Backhoe, Inc. in the amount of \$978,025.33, and authorize the President to execute the contract when it is ready including bond and insurance information. seconded by Trustee Marek Jedrzejewicz. The motion passes.

Fiscal Year '23/24 Budget- The current FY '23/24 draft was presented to the Board for final adoption as per the Bylaws.

Motion made by Vice President Eshleman to adopt the finalized FY '23/24 budget, seconded by Treasurer Don Kemmis. The motion passes.

Non-Profit Grant – Staff Henning and Staff Way have been gathering data on a Non-Profit Security Grant available from Washington state. This grant would allow the association to access reimbursement for the purpose of additional security measures at various points in the water system.

Motion to authorize the submittal of the security grant made by Vice President Tyler Eshleman, motion seconded by Treasurer Don Kemmis. The motion passes.

Tyler Eshleman logged out at 7:33 p.m.

Other- A request was made by Treasurer Don Kemmis for increased Board Member attendance, which is required to form a quorum to pass motions within meetings.

Call to Adjourn Meeting

Motion made by Treasurer Don Kemmis to adjourn the meeting; motion seconded by Trustee Marek Jedrzejewicz. Motion passes. The meeting was adjourned at 7:38 pm.