

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

February 8th, 2022

The Three Lakes Water Association Board of Trustees held their February 8th, 2022, 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: Vice President Tyler Eshleman, Treasurer Donald Kemmis, Secretary Terra Nicolle, Trustee Doug Knorr, and Trustee Raymond Cox.

Members, Guests & Employees- Engineer Rodney Langer of David Evans and Associates, Inc., staff member Kaila Klicker, and staff member Seth Way 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 February 7th, 2022. Highlights of the monthly DEA report are summarized as follows:

Booster Pump Station #1- See Old Business

Water System Plan (WSP) Update- Rodney reported that a pre-planning conference is scheduled for February 22nd, 2022. Rodney and staff plan to attend the meeting with representatives from the Washington State Department of Health to discuss the Comprehensive Water System Plan.

Annual Rate Review- Rodney informed the board that now is the typical time for DEA to begin their annual rate review. This annual review will look at the Association's financials, budget, and increases in expense costs. Once the review is complete, DEA will report the results to the board and make a recommendation for future water rates. This year's planned review will be less detailed than the year before and cost less. The current budget for this less detailed review is \$2,000.00. Rodney recommended that the board authorize the budget and authorize Manager Kemmis to sign the task order allowing DEA to begin this work.

Motion made by Trustee Doug Knorr to authorize the budget of \$2,000.00 for the work outlined in Task Order No. 20-1, Amendment 1, 2021 Rate Review, and authorize General Manager Donald Kemmis to sign it, seconded by Secretary Terra Nicolle. The motion passes.

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 February 7th, 2022. Highlights of the monthly manager report are summarized as follows: Contractor Utility Services Associates, LLC performed leak detection with staff on January 17th and 18th, 2022. The Association hired the contractor because non-revenue water had been increasing and staff had not yet identified any water leaks on the system. The detection work located a water main leak, service leak, and a hydrant leak. All leaks detected were repaired with the help of contractor D&G Backhoe, Inc. A main break occurred on 171st Avenue SE on February 2nd, 2022. The main break was repaired with the help of contractor D&G Backhoe, Inc. This main break occurred within proximity to the Association's Booster Pump Station #1, where a new pump was recently installed. Manager Kemmis decided to postpone the initiation of the new pump to allow the recently repaired area time to solidify underground. Staff has begun the annual process of flushing fire hydrants. Staff attended a virtual meeting held by the City of Everett on January 26th, 2022, to learn about the city's plans to replace valves at filtration plant. Staff learned that the city intends to allow all customers to continue their normal operations during the replacement work. Staff has a contact for the city in case high demand occurs in the Association's water system during the work. A soft starter for Pump Three at Booster Pump Station #2 has been received by Systems Interface, Inc. and installation will be scheduled soon. A failed transducer at Booster Pump Station #1 was replaced and appears to now be functioning normally. Staff is working to find a replacement unit for the heater at Booster Pump Station #2. Staff received a letter from Verizon Wireless stating Actualize, LLC as their representative. Staff also received updated construction drawings for the proposed upgrades to Verizon's facilities on the Association's standpipe. Pamela Turner with Tilson Technology Management Inc. requested that staff pass along the construction drawings to the Association's engineer for review. Staff responded by stating that the Association will do that once a proposed new agreement between the Association and Verizon is received for the committee to review. Pamela stated in email that the proposed new agreement should be received by staff soon. Staff rescheduled the meter reading handheld device upgrade to occur after February's billing process is complete. Manager Kemmis and Rodney attended a virtual meeting with Snohomish County representatives on February 8th, 2022, to discuss the county's culvert replacement project. This project will require the Association to move its existing water main near the culvert to accommodate the work. Manager Kemmis will continue to work with Rodney to make considerations for the best way to relocate the main that is beneficial and as cost effective as possible for the Association. The annually required Water System Report was sent to the City of Everett. The Association's property tax exemptions were filed on February 3rd, 2022. Staff is working to renew the Association's SAM registration, as it is needed for the Association to apply for federal grants or loans. Staff member Way is scheduled to attend Cross Connection Control training, which would start the process for him to become a certified Cross Connection Control Specialist.

Approval of January 11th Board Meeting Minutes

Motion made by Vice President Tyler Eshleman to approve January's Minutes, seconded by Trustee 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 February 8th, 2022 (attached). Total funds on hand are \$1,279,793.49. One transfer was made for \$69,000.00 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- \$432,109.43

Capital- \$759,960.17

Reserve- \$87,723.89

Total Expenses- \$79,214.90

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

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

President- President Klicker reported that he signed share certificates.

Vice President- No report.

Secretary- Secretary Nicolle reported that she signed share certificates.

Old Business

Member Government Assistance Program – Staff reported that there is currently an existing program with Snohomish County for people with low incomes to receive help in paying for power. This program is adding water assistance in the fall of this year. There are a multitude of qualifiers for this program, and the application process would occur through the county. Staff intends to inform members about the program once it becomes available.

Booster Pump Station #1- Staff reported that the new pump for Booster Pump Station #1 was installed by PumpTech, LLC on January 10th, 2022. Power was reconnected to the new pump by Advanced Power, LLC on January 11th, 2022. Trustee Cox has helped staff reconfigure downstream piping of the pump to prepare the station for the initiation of the new pump. PumpTech initiated the new

pump on February 1st, 2022. DEA has submitted project plans for staff review and Manager Kemmis will review the plans as time allows. Manager Kemmis informed the board that now the new pump has been initiated, staff is understanding the impact it has on the system. He believes that prioritizing an electrical revision at the pump station now, even though it was initially planned to occur later in the project, would be beneficial for the system. This electrical revision would minimize the initial energy transmitted by the new pump once it initiates a run cycle. The project timeline has also been updated to incorporate a new schedule to purchase a generator unit.

New Business

Loan Research- Manager Kemmis reported that he has been in discussion with Rodney after a recent main break near Booster Pump Station #1 regarding the Association's long-term plans for replacing older water main piping in this area. He thinks the Association should investigate loan and grant opportunities offered by the federal government and state which could allow the Association to replace aging infrastructure. Staff is looking into potential funding options for the Association.

Call to Adjourn Meeting

Motion made by Treasurer Donald Kemmis seconded by Trustee Raymond Cox. The motion passes. The meeting was adjourned at 8:02 p.m.