

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

August 10th, 2021

The Three Lakes Water Association Board of Trustees held their August 10th, 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: Treasurer Donald Kemmis, Trustee Doug Knorr, and Trustee Terra Nicolle. Secretary Raymond Cox was excused. Vice President Tyler Eshleman was unexcused.

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 August 9th, 2021. Highlights of the monthly DEA report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that remaining work by the developer Snohomish County is an additional payment deposit, provision of a replacement or corrected easement, and provision of a maintenance bond. Record drawings for the project have been received. The legal description for a portion of an existing easement has been provided. Once the remaining outstanding items are completed, Rodney will recommend board action for project final acceptance.

Storm Lake Road Phase 2 Water Main Replacement- Rodney reported that a meeting is scheduled for tomorrow between staff and Rodney to review redlines and finish the drawing notations.

Booster Pump Station #1- Staff reported that a new pump was ordered on July 28th, 2021 and will take approximately eight to twelve weeks to ship to PumpTech, Inc. Puget Sound Tapping Services performed excavation work at Booster Pump Station #1 in preparation for a generator to be added to the site. Rodney informed the board that preliminary planning work has begun for the addition of the generator. An electrical engineer will be scheduling time to visit the site to review the electrical circuitry.

Sequoia Ridge Estates, Lots 3 and 4 DE Application- 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 August 6th, 2021. Highlights of the monthly manager report are summarized as follows: Staff reported that on July 31st, 2021, they received a notification that Pump Number Three at the Association's Booster Pump Station #2 would not operate. Once staff arrived at the pump station, they noticed that there was a burnt smell coming from the power cabinet. They were not able to reset the pump and get it to operate again. Manager Kemmis discussed the situation with Rodney on August 2nd, 2021, and a decision was made to contact Systems Interface, Inc. for further support. Representatives from Systems Interface came to diagnose the electrical issue and found that contactors within the power cabinet had failed. A temporary fix was implemented, and Pump Number Three is currently operational. Staff will continue to find a permanent solution for this component failure. Staff also informed the board that they were contacted by a member on August 8th, 2021, about a leaking water service. Staff discovered that the water meter had split open on its freeze plate. Manager Kemmis believes that this may have been caused by Pump Number Three's starts and stops, which currently could be inducing more forces than normal due to the temporary fix for power failure. For now, the Association will continue to operate solely with Pump Number Two and only run Pump Number Three if necessary. A new water service was installed on July 22nd, 2021, along 159th Dr SE by contractor Puget Sound Tapping Services. A fire hydrant along 163rd Ave SE was damaged by a Snohomish County brush cutter and replaced on August 2nd, 2021. This work was completed with the assistance of contractor PSTS. A new main line valve was also installed during the replacement work in anticipation for the culvert replacement project expected soon by Snohomish County. A conference call was held on July 20th, 2021, between Association staff, Tilson Technology Management, and a representative from Verizon Wireless to discuss the requested \$11,000.00 project deposit to pay for the Association's consultants services for review work during the Verizon Facilities Modifications Project. Staff was informed by the Verizon representative that they would not be paying the requested deposit because the current lease agreement does not require it. Manager Kemmis informed Tilson and Verizon that Association staff and the committee will begin review of the project plans once more detailed plans are received. A new impeller was ordered for Pump Number Two at the Association's Booster Pump Station #2 on July 29th, 2021. The purpose of the new impeller is to upgrade the pump's flow performance. The new impeller is expected to arrive in four to six weeks. City of Everett is planning to shut down its Transmission Line #3 starting September 22nd, 2021, for approximately two days to perform necessary maintenance. Staff plans to utilize Booster Pump Station #2 during the shutdown, which is fed from the city's Transmission Line #5. Staff responded to Snohomish Health District when contacted about a close contact exposure with a staff member who contracted COVID-19. Documentation was provided to SHD in response to the exposure. Staff is following the Washington State's Labor and Industries recommendations for precautions related to preventing the exposure of COVID-19. The Association's new staff member, Seth Way, is performing tasks in both

the field and office. He is being trained for both field and office work and appears to be an enhancement to the Association's workforce. The MetLife insurance renewal was completed and will commence on September 1st, 2021. The Annual Report was filed with the Secretary of State on July 22nd, 2021. Manager Kemmis requested that Rodney review the current Developer's Extension manual to identify potential items for a DE manual update. A Developer's Extension application has been sent to a member along 171st Ave SE who is requesting water service to a two-lot short plat subdivision.

Approval of July 13th Board Meeting Minutes

Motion made by Trustee Doug Knorr to approve July'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 August 10th, 2021 (attached). Total funds on hand are \$1,360,406.58. One transfer was made for \$87,000.00 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. One transfer was made for \$12,000.00 from a capital account to a capital account to accommodate the FDIC limit for one the of the Association's banking entities.

Current Financial Info

General Funds- \$455,833.74

Capital- \$771,621.36

Reserve- \$132,951.48

Total Expenses- \$64,279.99

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 Trustee Terra Nicolle. The motion passes.

President- President Klicker reported that he spoke to the manager about the expense for the electrical failure with Pump Number Three. He also signed share certificates.

Vice President- Not present.

Secretary- Not present.

Old Business

Sequoia Ridge Estates, Lots 3 and 4 DE Application – Rodney reported that the developer for this Developer's Extension submitted plans for review and paid the first portion of the project deposit. DEA and staff are currently reviewing the

plans and will provide comments back to the developer when ready. Rodney prepared a standard Developer's Extension agreement and recommended that the board authorize the president to sign the DE agreement.

Motion made by Treasurer Donald Kemmis to authorize President Jay Klicker to sign the Developer's Extension agreement for the Sequoia Ridge Estates Lots 3 and 4 Developer Extension, seconded by Trustee Doug Knorr. The motion passes.

New Business

Cross Connection Control Program Noncompliance Penalty- Staff reported that they are having trouble getting members to complete their annual backflow assembly testing as required by the Association's Cross Connection Control Program. Staff recommend the board consider adopting a penalty fee for members who get mailed a third notification that they must test their backflow assemblies or have their water service terminated. The board discussed the potential penalty fee. Trustee Knorr recommended that staff amend the language in the secondary notification to more clearly state that water service will be terminated if they do not comply with testing. The board verbally agreed that they do not believe a penalty fee should be adopted at this time.

Call to Adjourn Meeting

Motion made by Trustee Terra Nicolle seconded by Trustee Doug Knorr. The motion passes. The meeting was adjourned at 8:14 p.m.