

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

September 12th, 2023

The Three Lakes Water Association Board of Trustees held their September 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 6:02 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Treasurer Donald Kemmis, Trustee Marek Jedrzejewicz, Trustee Yvonne Craig, Trustee Ray Cox, and Trustee Heidi Mann. Secretary Terra Nicolle was excused, and Vice President Tyler Eshleman was unexcused. Trustee Yvonne Craig logged out of the meeting at 7:30pm.

Members, Guests & Employees- Engineer 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. Rodney logged into the meeting at 6:12pm.

DEA Engineers' Report- Engineer Rodney Langer introduced Zach Worley to the Board as an addition to the DEA engineering team for Three Lakes Water Association. Zach will be collaborating with us on the upcoming 171st projects, as well as other future projects. Rodney presented a summary of his status report, which was e-mailed and provided to the Board on September 11th, 2023. Highlights of the monthly DEA report are summarized as follows:

Water System Plan Update- Engineer Rodney Langer provided the final draft for the WSP for review.

171st Water Main Replacement Project- Rodney and team have final draft plans completed. Specifications and construction cost estimates are currently waiting for the DOH approval on these items. The specifications require review by the DWSRF team to ensure that federal and wage language is in proper form before going out to bid. Last November there was a main break along 62nd and this repaired segment will also be added in to the 171st project. Survey work was completed along 62nd St SE on September 8th.

Big Deer West DE- The developer is moving forward with the DE agreement. One signature from a parcel owner is needed to complete the necessary paperwork. Survey/CAD data as well as fire flow and other specifics have been requested from the developer to facilitate the design work.

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 September 11th, 2023. The highlights of the monthly manager's report are summarized as follows: The idle pump time was 2 hours and 30 minutes and our non-revenue water decreased since last month from 9.36% to 7.64%. Three system communication failures occurred that required emergency response from Manager Kemmis or Assistant Manager Klicker. Engineer Rodney Langer submitted our application for the 171st CIP to Snohomish County PDS for County Permit on September 1st and the permit was approved on September 6th. The DWSRF construction loan application approval was received mid-board meeting by Manager Kemmis and announced to the meeting attendants as it came in. Survey work has been completed for 171st Phase 2 along 62nd St SE. The generator for booster pump station #1 is scheduled to be received Friday, September 15, 2023. The work to install the generator will be done by Dickson Electric and this process may take up to a few days to complete. The meter at Flowing Lake Park registered a high volume during our last meter reading cycle which was flagged for investigation; steps were taken by Staff Way and Manager Kemmis to deduct the reasoning for this high volume. A second request was inserted with the most recent billing for members to send back with their private service line materials who have not done so already. The Association continues to receive submittals to assist in the required DOH private service line inventory for lead and copper. Thank you notes were sent out at the time of billing for those that participated in the survey. As of September 5th, we have zero services with unconfirmed material type on the Associations side and 314 on member side. We are in the process of reviewing and renewing our insurance coverage with Bancorp. DWSRF annual loan payments have been made for all 3 loan accounts which includes the payoff for the BPS#2 loan. Manager Kemmis and Assistant Klicker will be attending a PFAS class September 19th, gaining CEU credits. Staff Henning will be attending a cross connection exam review course November 7th-8th.

A main break took place on Tuesday morning, September 12th, at 2:15 am requiring immediate action. Staff, alongside D&G Backhoe, worked throughout the day to get this main break event under control. Members regained access to water that afternoon and repairs will be ongoing throughout the week. This was a difficult location to maneuver machinery around in due to a steep bank and large trees running parallel to the roadway and the right-of-way. This issue lead Manager Kemmis and Engineer Langer in choosing to add a larger segment of 8" DI to this stretch of 171st Ave SE, of approximately 180' in distance. Trustee Jedrzejewicz inquired about how to integrate this main break repair into the 171st project: Engineer Rodney Langer and Manager Kemmis would prefer to find a way to incorporate this recently repaired segment of main into Phases 2 and 3 however is feasibly best, likely augmenting the current plans and moving forward with this break segment in mind.

Approval of August 8th's Board Meeting Minutes-

Motion made by Manager Kemmis to approve August's Board Meeting Minutes; motion seconded by Trustee Jedrzejewicz. The motion passes.

Officers Reports

Treasurer Report and Pay Bills- Staff Henning presented a summary of the treasurer report. The financial report was prepared and distributed to the Board summarizing the financial position through September 11th, 2023 (attached). Total funds on hand are \$1,047,602.15. One transfer of \$95,000 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- \$ 414,054.73
Capital Funds- \$ 554,228.01
Reserve Funds- \$ 79,319.41
Total Expenses- \$ 94,271.38

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

President- Signed a couple share certificates.

Vice President- No report, absent.

Secretary- No report, absent.

Treasurer- Investigating an appropriate CD investment to add to Association accounts. Discussed options to reduce funds in bank accounts over the FDIC limit. Approved accountants' year end compilation for the Annual Meeting presentation.

Old Business

Annual Meeting- Letters and ballots were sent out on time on September 13th. Emails will be sent out to the Board asking for attendance status for the October 3rd meeting.

WSP Review/Approval- Rodney and his team have finished their work on the WSP, completing chapters 3, 8 and 9 for review. Rodney thoroughly explained the Association's plan for improvement over the next 20 years, including but not limited to: project timelines, revenue and cost of developments, emergency

preparedness, projected rate increases, and room for expansion as the water system grows. Rodney covers the pros and cons of proceeding with each project and how it would impact other variables in the system. Each project has its own precedence and may be pushed forward or back depending on future main breaks and/or time sensitive events. Integrating future development into our Association system at the lowest possible cost to Members is a priority; addressing some of these tasks could increase rates to a level higher than desired, consequently putting those projects on hold until advised to do so. *Motion made by Trustee Marek Jedrejewicz to authorize DEA to submit WSP and WUE goals as-is to appropriate agencies, for review and comments seconded by Treasurer Don Kemmis. The motion passes.*

New Business

Bookkeeper Authorization- *Motion made by Treasurer Don Kemmis for Staff Seth Way and Staff Brittany Henning to have bookkeeper authorization at all our banking entities on behalf of the Association. Seconded by Trustee Heidi Mann. The motion passes.*

Task Order for Construction Support/Bid Authorization- *Motion made by Trustee Marek Jedrejewicz to authorize General Manager to sign Task Order Phase One. Seconded by Treasurer Don Kemmis. The motion passes.*

Motion made by Treasurer Don Kemmis for the General Manager to publish and approve bids, seconded by Trustee Marek Jedrejewicz. The motion passes.

Long-Term Wage Plan- Manager Kemmis reminded the board of their past commitment to create a new long-term wage and benefits plan in the fall time as the previous five-year wage plan has concluded. Trustee Marek Jedrejewicz acknowledged that this was the intention of the board when it was last discussed in the spring.

Call to Adjourn Meeting

Motion made by Trustee Marek Jedrejewicz to adjourn the meeting, seconded by Treasurer Don Kemmis. Motion passes. The meeting was adjourned at 7:53 pm.