

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

June 14th, 2022

The Three Lakes Water Association Board of Trustees held their June 14th, 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 7:04 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Secretary Terra Nicolle, Treasurer Donald Kemmis, Trustee Doug Knorr, and Trustee Raymond Cox. Vice President Tyler Eshleman was unexcused.

Members, Guests & Employees- Engineer Rodney Langer of David Evans and Associates, Inc. (DEA), staff member Kaila Klicker, and staff member Seth Way were present. Renee Clarke, acting as recording secretary, was present. A member, Yvonne Craig, was also present.

DEA Engineers' Report- Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on June 10th, 2022. Highlights of the monthly DEA report are summarized as follows:

Booster Pump Station #1- Rodney reported that his staff has reviewed the technical specifications for the generator to confirm compliance and an order for the generator unit was placed with Kohler. A detailed submittal for the unit was reviewed and a minor comment response was sent to Kohler. DEA has completed the electrical upgrade plans and sent them to three different electricians with an invitation to bid. Bids will be due on June 22nd, 2022. The board authorized awarding the contract to the lowest responsive bidder at the May meeting, as recommended by DEA and agreed by Manager Kemmis and President Klicker. Rodney anticipates that by the next board meeting the bid contract will be awarded.

Water System Plan (WSP) Update- Rodney reported that chapters one and two of this update are still pending his review.

AC Water Main Replacement Project- See Old Business

Verizon Cell Lease Modification - Rodney had no new business to report.

163rd Culvert Replacement Project- Rodney reported that he and Manager Kemmis are waiting on an updated project summary from Snohomish County.

The next meeting for this project has been postponed until July 6th, 2022. The county has confirmed that a downstream culvert and second water main crossing is not anticipated to be impacted, and that construction work is postponed until 2024.

Big Deer West Developer Extension 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 June 10th, 2022. Highlights of the monthly manager report are summarized as follows: Staff responded to a water main break on May 28th, 2022, after being alerted by the Association's telemetry system. The break was found at the end of Weber Road. Staff was unable to source a contractor or parts to repair the break on the holiday weekend, so a temporary water service was provided to one member who was out of water due to the break. Contractor D&G Backhoe, Inc. assisted with the repair of the main on Tuesday, May 31st, 2022. Two share revocation letters were certified mailed by staff on June 1st, 2022, to members whose account balances are over the share revocation threshold. There have been no payments or communications from either member. Staff will mail out a second certified letter on June 15th, 2022, with the plan to revoke the shares if there is no response on June 29th, 2022. An individual who requested a Letter of Water Availability in 2020 along West Flowing Lake Road has recently come back to request a new letter and to begin the water meter installation process. An individual met with staff who is currently outside of the Association's retail service area and has an unsatisfactory source of potable water to their residence. They were working to provide documentation to allow the Association to serve water. A meter installation is expected soon. A representative of Verizon Wireless from Tilson Technology Management Inc. has requested some clarification on the RF safety, escort time, and penalties for the proposed project to upgrade Verizon's cell lease equipment on the Association's standpipe. A response was provided by staff to address their questions. Some locating equipment was purchased by Manager Kemmis, and it is now being utilized daily. A member called staff to report a concern regarding low water usage. Staff discovered that the water meter register had somehow lost physical connection with the meter body. The register was replaced, and staff is monitoring the water usage to confirm it's functioning properly. Staff is still working with customer support for the Association's meter reading software and billing software to confirm that meter reads will be able to be completed and imported into the billing system without issues. Security enhancements have been implemented at the Association's office site. Staff discovered an issue in the Association's billing software with the calculation of late fees. The impact of this issue appears to be negligible, and the issue was fixed by staff and procedures were put in place to prevent this issue from happening in the future. The Association's accounting software was upgraded as was required due to the current version of software coming to the end of its usable lifespan. The lead and copper class date has been changed to July 20th, 2022. Manager Kemmis plans to attend this training in hopes he will learn how the Washington State

Department of Health interprets the new U.S. Environmental Protection Agency requirements and what is expected from the Association. In anticipation of the new rules, staff has begun collecting information on water services to create a database. Staff discovered that the Washington State Department of Labor & Industries are setting permanent regulations for heat and smoke exposure to protect outdoor workers. Staff is working to understand how that might impact the Association and implement new procedures to comply with the new regulations. Staff also discovered that a new mileage reimbursement goes into effect on July 1st, 2022, and the new rate will be \$0.625.

Approval of May 10th Board Meeting Minutes

Motion made by Trustee Doug Knorr to approve May's Minutes, seconded by Secretary Terra Nicolle. 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 June 14th, 2022 (attached). Total funds on hand are \$1,295,865.94. One transfer was made for \$84,000.00 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- \$434,056.14

Capital- \$738,063.60

Reserve- \$123,746.20

Total Expenses- \$87,422.19

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 Raymond Cox. The motion passes.

President- President Klicker reported that he reviewed the Fiscal Year 2022/2023 Draft Budget and that he signed share certificates.

Vice President- Not present.

Secretary- Secretary Nicolle reported that she signed share certificates.

Old Business

AC Water Main Replacement Project- Rodney presented a task order which was emailed to the board. He also presented an overview of the project. The task

order listed costs mostly related to permitting and design work for the project. The Association plans to borrow a preconstruction loan in the amount of \$365,000.00 from the Department of Health's Drinking Water State Revolving Fund (DWSRF) loan program to fund the project preparation costs outlined in the memo. Then when the open cycle for application for a construction loan occurs in the fall, the Association will be prepared with planning and permitting needed to apply for a construction loan. Rodney recommended the board take action to authorize the Association applying for a preconstruction loan and approve DEA's task order.

Motion made by Trustee Doug Knorr to approve the Association applying for a State of Washington Drinking Water State Revolving Fund preconstruction loan in the amount of \$365,000.00, seconded by Trustee Raymond Cox. The motion passes.

Motion made by Secretary Terra Nicolle to approve David Evans & Associates, Inc. proposed Task Order 22-1 – Amendment No. 2 and authorize General Manager Donald Kemmis to sign the amendment on behalf of the Association, seconded by Treasurer Donald Kemmis. The motion passes.

Big Deer West Developer Extension Application- Staff reported that a Developer Extension application was received by staff for a proposed development of nine lots. The application was reviewed by staff and Rodney. Rodney presented a memo to the board with review and recommended conditions for service. He recommended the board approve the application with the conditions outlined in the memo.

Motion made by Treasurer Donald Kemmis to approve the Developer Extension application with the conditions noted in David Evans & Associates, Inc. memo dated June 6th, 2022, and authorize Board President Jay Klicker to execute a Developer Extension Agreement with the property owner and developer of the Big Deer West development when ready, seconded by Trustee Doug Knorr. The motion passes.

Cross Connection Control Plan Notification Fee- Staff reported that an analysis of time and costs involved in CCC compliance was completed as requested by the board at the last meeting. The first two notifications for backflow testing compliance will be delivered by USPS regular mail. For the next letters before water service is terminated due to noncompliance with the Association's testing requirement staff proposes a \$50.00 fee per certified letter. They also recommend a \$50.00 shutoff fee if staff is dispatched to terminate water due to noncompliance. If the fees are approved by the board, then disclaimers will be added to the first two testing compliance letters to inform members of potential fees if they do not comply.

Motion made by Treasurer Donald Kemmis to implement a \$50.00 fee for Cross Connection Control program (CCCP) certified letter and a \$50.00 fee if staff is dispatched to terminate water service due to CCCP noncompliance with the testing requirement effective June 14th, 2022, seconded by Trustee Raymond Cox. The motion passes.

Meter Installation Fee Review- Staff completed a cost analysis and emailed it to the board on May 17th, 2022, per request at the last meeting. The analysis showed the Association's meter installation fee compared to other local purveyors and staff found that the other purveyors have increased costs to cover the market and labor increases. Staff is recommended the board approve a \$900.00 increase to the meter installation fee for every water meter size offered by the Association.

Motion made by Treasurer Donald Kemmis to implement a \$900.00 increase in the meter installation charge for every meter size the Association offers, effective June 14th, 2022, seconded by Trustee Raymond Cox. The motion passes.

Fiscal Year 2022/2023 Draft Budget Approval- Staff reported that they collaborated to create the draft fiscal year 2022/2023 budget. The draft budget was emailed to President Klicker for his review. Staff presented the draft budget to the board. A few revisions were made. Staff recommended that the board adopt the new draft fiscal year budget.

Motion made by Treasurer Donald Kemmis to approve the Fiscal Year 2022/2023 Draft Budget, seconded by Secretary Terra Nicolle. The motion passes.

New Business

New Board Trustee- A guest who attended the board meeting, member Yvonne Craig, expressed interest in becoming a board trustee. She introduced herself to the board. Staff noted that she would be considered for a position that is currently open, position number 4. Then at the general meeting of the members in the fall she would be subject to confirmation by the membership at that meeting.

Rodney created a Zoom poll for the current trustees to vote for Yvonne Craig to become an interim Board Trustee and serve in Position #4. The trustee election results were announced by Rodney. The election results were in favor of Yvonne Craig becoming a board trustee.

Yvonne Craig – 2-year term (Position #4)

Call to Adjourn Meeting

Motion made by Trustee Raymond Cox seconded by Secretary Terra Nicolle. The motion passes. The meeting was adjourned at 8:44 p.m.