

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

December 10th, 2024

The Three Lakes Water Association Board of Trustees held their December 10th, 2024 Board Meeting at 6:00 pm. in a hybrid setting at the Association office, located at 17503 58th St SE, as well as virtually, utilizing phone and webinar technologies. The Association website and Facebook page requested members who wish to address the Board to inform the Board President by email to 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 Marek Jedrzejewicz. A quorum was satisfied by other Board Trustees in attendance: Vice President Tyler Eshleman, Secretary Terra Nicolle who joined from 6:09 pm to 6:13 pm, Treasurer Steve Lefebure, Trustee Donald Kemmis, Trustee Ray Cox, and Trustee Heidi Mann.

Members, Guests & Employees-

Member requests for the meeting link: Susan Kemmis, Jay Klicker and Lindsey Martin.

Engineer's Rodney Langer and Zack Worley of David Evans and Associates, Inc. (DEA),

Staff Member's Kaila Klicker, Seth Way, and Brittany Henning, who was the recording secretary for this meeting.

In person attendance: Vice President Tyler Eshleman, Treasurer Steve Lefebure, Trustee Donald Kemmis, Trustee Heidi Mann, Engineer Rodney Langer, Assistant Manager Kaila Klicker, Staff Seth Way and Brittany Henning, and Member Joe Martin.

Virtual attendance: President Marek Jedrzejewicz, Secretary Terra Nicolle, Trustee Ray Cox, Engineer Zack Worley, Members Susan Kemmis, Lindsey Martin, and Jay Klicker.

DEA Engineers' Report

Engineer Rodney Langer presented a summary of DEA's status report, which was e-mailed and provided to the Board on December 6th, 2024. Highlights of the monthly report are summarized as follows:

Water System Plan Update- The WSP has been approved by DOH and is valid through 2033.

Vice President Eshleman and Trustee Mann asked questions related to consumer water rights. A discussion was held, and answers were provided, referencing the Association's existing water supply agreement with the City of Everett.

171st AC Water Main Replacement Project –

GIS and Asset Management – Association staff provided feedback for Phase 2 as-built drawings; additional edits have been completed.

Phase 1 – Retainage release details were discussed, see New Business for motion.

Phase 2 – Based on staff input, record drawings have been prepared in conjunction with contractor notes.

Phase 3 – Public Works review of permit has been approved by DOH, as of December 8th. A recommended schedule has been set to initiate the bidding process; see New Business for motion.

Engineer Langer provided the Board with details outlining Task Order 22-01 Amendment no. 6, pertaining to DEA's support services for Phase 3 construction for review. See New Business for motion.

Annual Water Rate Review- Data input has been completed and the review of water use trends and development of the rate model is still in process.

Financial Program Overview- Engineer Langer created a presentation and on December 3rd visited the Association office to provide an in-person 2-hour overview of the Association's financial program, policies and financial management tools used for banking, budgeting and long-range forecasting per Treasurer Steve Lefebure's request in the November board meeting. Manager Kemmis and all staff were present for this meeting, and Vice President Tyler Eshleman was able to attend for an hour of that time. Engineer Langer will provide a summary of this meeting for Association reference.

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 6th, 2024.

The idle pump time, as of December 2nd, was 3 hours and 50 minutes with an average 24-hour volume of 21,067 c.f. Several telemetry failure events occurred from the afternoon of October 17th through October 21st, resulting in 22 callouts. In addition to this event, multiple communication failures occurred over the last month that required manager intervention. Until November 6th at 11:30 p.m. the frequency of callouts had diminished when 12 failure calls occurred within 2 hours, disrupting the automated pump functions. This event subsided on its own and remained quiet until the windstorm event which began on November 19th. This storm cycle impacted the Association from November 19th through November 26th. Areas affected by storm events included but are not limited to: the office premises being obstructed for entrance due to down lines affronting the gate entrance, power and telephone communications were unavailable and unreliable, as well as internet access being out of service for several days following the storm. Suspicious water was reported by a member during the storm on November 19th, in which Manager Kemmis located and identified a main break along 187th Drive SE. This segment of road was inaccessible due to obstruction by the storm until November 21st, when D&G was able to assist with the repair. A boil water order was voluntarily issued to 16 members in the area out of precaution for health and safety that same day. Samples from the site were submitted to the lab following repair, and results were satisfactory as of November 26th; the boil water advisory was lifted that morning. A member contacted Manager Kemmis regarding a questionable tree near the premises of the shared property line with the Association on November 19th. Post-storm, the tree is now leaning and hung-up but does not appear to be threatening any structures; a professional recommendation to assess this risk is currently moving forward. Other trees had fallen, causing damage to the fencing around the Association facilities. Manager Kemmis and staff have been working to address the damage and to mitigate where possible. Another tree was removed by Taylor's Snohomish Tree Services, which was hanging over the opposite neighbor's property, threatening damage to their resources.

A security event took place the afternoon of Saturday, November 23rd, by a Verizon representative who obtained unauthorized access through our security to access Verizon's facilities. No contact was made with the Association beforehand, as required by the Verizon Cell Lease Agreement.

Payment for a new service along 184th DR SE was received and deposited November 13th. The installation was completed with the assistance of D&G on December 9th. Generator maintenance at Booster Pump Station #2 will be required due to a coolant warning alarm. Tripped Electric is in process of assisting the Association to identify and resolve this issue. To maintain scheduled tank maintenance, a quote was provided to Manager Kemmis from LiquiVision to perform tank cleaning in the amount of \$5,000.00.

Staff installed studded tires on company vehicles on November 27th in preparation for winter weather. An offline fire hydrant along 187th Dr SE, is now operational after repair by D&G on December 4th, as well as another hydrant nearby, also showing excess wear. Two zero-read meters changes were performed the same day by D&G, in which another unknown service line was identified for LSLI. This Lead Service Inventory survey is on-going, and members continue to contact the Association to report on their private service line material. President Jedrzejewicz signed the lease amendment from Tilson Tech on November 26th, construction is expected to commence soon with prior notification. The Association's Water Facilities Inventory was submitted to DOH on November 18th as required by the December 15th deadline. Shut-off warning calls were made by staff prior to shut-off day, resulting in fewer members over the shut-off balance threshold, decreasing staff response in the field.

The security grant that was applied for in December 2023 is on-going, as federal funds are redispersed to applicants. The Association's grant application is still valid and we will be notified if this grant is approved based on application priority and available funding. Treasurer Lefebure inquired about the background of this grant.

Staff awaits input from the Board President regarding the future cost-of-living policy provided. Staff attended cyber-security training pertaining to the security risks associated with managing a potable water supply; staff has been implementing new security measures to heighten cyber security of the Association based on new requirements.

Vice President Eshleman posed questions regarding LSLI and how unknown private service lines are identified throughout the survey. Answers were provided by staff related member response and resources available to members as provided by the Association.

President Jedrzejewicz commended 3LWA staff for their dedication and hard work demonstrated during and over the week following the detrimental windstorm to keep the water system safe and operational.

Approval of November 12th's Board Meeting Minutes

Treasurer Lefebure provided his detailed rendition of last month's Treasurer's Report and FY 2024/2025 Budget Adoption to the Board for amendment of the November 12th Board Meeting Minutes.

Motion made by Trustee Heidi Mann to approve November's Board Meeting Minutes as amended by Treasurer Lefebure; motion seconded by Vice President Eshleman. The motion passes with none opposed.

Officer's 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 10th, 2024. Total funds on hand are \$1,310,887.22. A transfer in the amount of \$128,000.00 was transferred between accounts to cover this month's bills. Reports were provided for the past month's expenses, prepaid invoices, and payroll summary. Checks were presented to be approved for payment by the Board.

<u>Current Financial Information</u>	
General Funds-	\$ 282,969.65
Capital Funds-	\$ 813,031.49
Reserve Funds-	\$ 214,886.08
Total Expenses-	\$ 140,105.44

Motion made by Treasurer Lefebure to approve payment of the bills as presented, seconded by Vice President Eshleman. The motion passes with none opposed.

President- Signed shares and checks for accounts payable.

Vice President- Meeting with Treasurer Lefebure, Engineer Langer and staff on December 3rd regarding comprehensive overview of Association financial processes and procedures. Provided a tree service recommendation for the Association.

Secretary- Absent, no report.

Treasurer- Meeting with Vice President Eshleman, Engineer Langer and staff on December 3rd, regarding comprehensive overview of Association financial processes and procedures. Conceptual account structure, general information about account flows such as 2 signers on checks. Discussion on estimating bi-monthly water usage used in the rate model. High level review of the budgeting spreadsheet in which most of the details behind the budget are embedded as relationships within the model. Conceptual overview of GFC process. The financial reporting herein is consistent with the reporting in previous periods, and we should proceed with basic processes dependent upon them.

Old Business

Discussion was held by Vice President Eshleman reiterating the importance of the visual confirmation of every virtually attending trustee for each voting process.

Release of Phase One Retainage Payment-

Engineer Rodney Langer presented the background information related to his investigation into how the release of retainage for a federally funded project is required to be handled for a private entity.

Motion for Board to authorize contractual retainage release to be drafted by the Manager and Engineer for payout when contractor's completion pertaining to retainage requirements of said contract are fulfilled made by Vice President Eshleman, seconded by Trustee Cox. The motion passes with none opposed.

New Business

DEA Phase 3 Bidding Process- Engineer Langer provided an overview of Phase 3 and its benefit to the Association's water system.

Motion for Board approval of proceeding with the bidding process for Phase 3 made by Treasurer Lefebure, seconded by Trustee Cox. The motion passes with none opposed.

Task Order 22-01 Amend no. 6-

Engineer Rodney Langer presented Task Order 22-01 Amendment no. 6 as provided to the Board on December 6th.

Motion for Board to authorize the Manager to execute proposed Task Order 22-01 Amendment no. 6 in the amount of \$60,882.00 for bid and construction support services by DEA made by Vice President Eshleman, seconded by Treasurer Lefebure. The motion passes with none opposed.

Ad-Hoc Committee- Treasurer Lefebure introduced to the Board the concept of three standing committees. President Jedrzejewicz informed the Board of the requirement of a by-law change to support standing committees and recommended instead ad-hoc committees. An ad-hoc committee Member Relations and Communications within the Association. Vice President Eshleman volunteered to be chair of this committee.

Motion to create an Ad-Hoc Member Relations and Communications Committee effective immediately for a 9-month period with the deliverable of the Annual Newsletter in time for staff reproduction with Vice President Eshleman as chair, Trustee Ray Cox, Member Kaila Klicker and Member Joe Martin made by Treasurer Lefebure, seconded by Vice President Eshleman. The motion passes with none opposed.

Trustee Vacancy- Trustee Tom Beisner submitted his resignation to President Jedrzejewicz on November 17th. The 3LWA Board Members and staff wish him well.

Call to Adjourn Meeting

Motion made by Vice President Tyler Eshleman to adjourn the meeting; motion seconded by Treasurer Lefebure. The motion passes with none opposed. The meeting was adjourned at 8:33 pm.