

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

March 8th, 2022

The Three Lakes Water Association Board of Trustees held their March 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 7:03 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Treasurer Donald Kemmis, Trustee Doug Knorr, and Trustee Raymond Cox. Vice President Tyler Eshleman and Secretary Terra Nicolle was excused.

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 March 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 with representatives from the Department of Health was held on February 22nd, 2022, and they discussed the update of the Association's WSP. DEA staff has been working on creating chapters one and two of the document, which are about the existing water system and water demand forecast. Staff has been assisting DEA as needed during their work.

Annual Rate Review- Rodney reported that work is progressing on the annual rate review, but there are currently no findings or conclusions ready to be presented to the board. He plans to present findings from this to the board at the April meeting.

AC Water Main Replacement Project- See New Business

163rd Culvert Replacement Project- Rodney reported that he and Manager Kemmis are waiting for an updated project summary from Snohomish County. The next meeting to discuss this project is scheduled for March 22nd, 2022.

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 March 4th, 2022. Highlights of the monthly manager report are summarized as follows: An interim meter read was performed by staff to confirm that non-revenue water decreased after some leaks were repaired in the system. A main break occurred on February 10th, 2022, near the Association's Booster Pump Station #1 and was repaired that day with the assistance of contractor D&G Backhoe, Inc. The City of Everett continues to inform staff during scheduled work to replace valves at their filtration plant. Staff is monitoring water usage during this scheduled work as requested by the city. A new soft starter and necessary electrical components were installed on Pump Three at the Association's Booster Pump Station #2 on March 2nd, 2022. Pump Three appears to now be fully operational. The Association completed its required annual backflow assembly testing on February 14th, 2022. Testing reports were emailed to the City of Everett. A new heater for the Association's Booster Pump Station #2 was ordered and will be installed once received by staff. The process to upgrade the Association's handheld meter reading device was started by staff by first upgrading the billing software on March 2nd, 2022. A test file was sent to the handheld device company to confirm capability for the upgrade. Staff received communication from the Department of Health requesting to schedule a sanitary survey. In preparation for this survey, staff is reviewing manuals and documentation to ensure they're up to date. The Water Facilities Inventory was updated and sent to DOH on February 24th, 2022. Staff has begun preparing the annual newsletter to be mailed with the April billing. The Water Use Efficiency (WUE) report was submitted to DOH on March 4th, 2022. The annual non-revenue water for 2021 was 18.1 percent and three-year average 14.1 percent. After completing the WUE staff will be working to create the annual Consumer Confidence Report, which will be posted to the Association's website for members to review. The Association's property taxes were paid and mailed on time for the current year. All staff attended a free system resiliency planning class on March 1st, 2022. Each staff member earned 0.3 CEU's (Continuing Education Units) for the training, which are part of the requirement set by DOH to keep staff members certified.

Approval of February 8th Board Meeting Minutes

Motion made by Trustee Doug Knorr to approve February'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 March 8th, 2022 (attached). Total funds on hand are \$1,250,737.98. One transfer was made for \$80,000.00 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- \$394,042.44

Capital- \$759,964.63

Reserve- \$96,730.91

Total Expenses- \$58,365.86

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 signed share certificates and had two meetings with Manager Kemmis to discuss the Verizon Cell Lease Modification Project.

Vice President- Not present.

Secretary- Not present.

Old Business

Verizon Cell Lease Modification– Staff reported that an email was sent to the board on February 14th, 2022, with documentation received from Tilson Technology Management. Manager Kemmis has reviewed the revised construction plans and provided input back to Tilson on February 16th, 2022. President Klicker was apprised that Verizon is interested in the Association's response related to their proposed lease amendment document. Manager Kemmis recommended that the committee formed for this project schedule a meeting to discuss the information that has been received by staff and any response that the Association would like to provide back to Tilson. A committee meeting was scheduled for March 15th, 2022. Staff plans to send all relevant documentation and communication to committee members so they can review everything prior to next week's meeting. The committee agreed that Rodney should review the documentation prior to next week's meeting so he can become informed to answer any committee questions.

Booster Pump Station #1- Rodney reported that plans and specifications have been submitted to staff for review. Staff plans to proceed with planned station improvements prior to generator purchase and installation. Manager Kemmis and Rodney are currently considering the potential need for a variable frequency drive or pump control valve to mitigate high pressure upon pump startup. They are waiting on pricing information, which should be available soon, to make a recommendation to the board on which option would be better and cost efficient for the Association. Rodney told the board that he believes the drive would cost an incremental amount of up to \$25,000.00. Rodney suggested that the board

consider action to authorize the ordering of equipment at this meeting to ensure that the ordering process is not held up by the timing of the next board meeting.

Motion made by Trustee Doug Knorr to authorize the Board President Jay Klicker to authorize an expenditure of up to \$25,000.00 of an incremental cost to implement a solution to the Booster Pump Station #1 pressure issue then report the outcome to the board at the following board meeting, seconded by Treasurer Donald Kemmis. The motion passes.

New Business

AC Water Main Replacement Project- Manager Kemmis requested Rodney prepare a summary and preliminary estimated costs for a significant water main replacement project, which the Association may prefer to take out a loan to complete. Rodney presented DEA memo dated March 7th, 2022, to the board. This proposed project would focus on the replacement of the older 6” asbestos concrete water main along the Association’s “backbone” or piping between the two booster pump stations and standpipe. This would improve reliability of the system and reduce risk of property damage because of a main break. The project is estimated to be completed in phases and span over the timeframe of three years. The initial estimated project cost is \$3,440,000. The Association would need to borrow state funds for a project of this magnitude and would likely apply through the Department of Health’s Drinking Water State Revolving Fund (DWSRF) program. Staff presented a summary of the DWSRF program to the board. Rodney suggested the board direct him to prepare a specific proposal for this project to better understand the project and that he estimated that work to cost between \$7,500.00 and \$10,000.00. The board agreed that he should begin work to prepare a specific proposal for this project, and Manager Kemmis plans to sign a task order for DEA to begin this work.

Expiration of State Mask Mandate- Manager Kemmis informed the board that he is going to discuss with staff what they’d like to do regarding COVID-19 precautions in the workplace as the current mask mandate expires. He asked for board input if anyone had any, but no specific suggestions were made.

Call to Adjourn Meeting

Motion made by Treasurer Donald Kemmis seconded by Trustee Raymond Cox. The motion passes. The meeting was adjourned at 8:33 p.m.