

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

January 12th, 2021

The Three Lakes Water Association Board of Trustees held their January 12th, 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 7:03 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Vice President Tyler Eshleman, Secretary Raymond Cox, Treasurer Donald Kemmis, Trustee Doug Knorr, and Trustee Terra Nicolle.

Members, Guests & Employees- Engineer Rodney Langer of David Evans and Associates, Inc., and staff member Kaila Klicker 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 January 11th, 2021. Highlights of the monthly DEA report are summarized as follows:

Flowing Lake Park Water Service- Rodney reported that there are still items needed from developer Snohomish County for the closeout of this project. Staff continues to support the developer and contractor as needed.

Storm Lake Road Phase 2 Water Main Replacement- Rodney reported that the county right of way permit was received by staff and forwarded to the project contractor, D&G Backhoe, Inc. The permit contains the requirement to fill abandoned water mains with a sand or cement slurry. This is a substantive new requirement for the project, so DEA prepared a memorandum which asked the contractor to identify pricing for filling all abandoned mains. The memorandum was sent to the contractor with the county permit documentation. Contract documentation was received by staff for the project and was found to be adequate by Rodney. Staff is waiting to receive cost information from the contractor for filling abandoned water mains. Once it is received staff and President Klicker will review it to see if it is reasonable. If the pricing is reasonable staff will then work with the president to complete the project contract by having him sign it. Staff also anticipates scheduling a preconstruction meeting with the contractor within the next couple of weeks.

Annual Rate Review- See New Business

Manager & Cross Connection Report

Staff member Kaila Klicker presented a summary of the manager report, which was e-mailed and provided to the Board on January 11th, 2021. Highlights of the monthly manager report are summarized as follows: A new water service was installed on December 22nd, 2020 along 160th Avenue SE by contractor Puget Sound Tapping Services. Manager Kemmis supported a contractor during work to install a private septic line on Wonderland road. A letter was previously sent to the member having the septic line installed to outline the requirements by the Association for installation of a septic line within proximity to Association facilities. The water main was located during the installation and staff continues to monitor facilities during work. Staff worked to perform a water consumption audit to compare the 24-hour residential water consumption to the 24-hour master meter consumption. Staff is currently working with DEA to review the data gathered from the audit. Systems Interface, Inc. continues to work with staff to complete contracted items for the Association as part of the Telemetry Upgrade project. Staff has been working with KeyBank to access and use the Paycheck Protection Program loan forgiveness application portal. The portal is now functional, but staff was informed by KeyBank representatives that a new simplified forgiveness application is being created for loans under \$150,000.00. Treasurer Kemmis decided to wait for the new simplified application to be released to apply for loan forgiveness. Staff will monitor the portal and notify the treasurer when the new application is available. The annual utility blanket permit application was submitted to Snohomish County on January 5th, 2021 as part of normal county requirements. An updated water system report was submitted to the City of Everett on January 5th, 2021 as part of normal requirements. Association property tax exemptions were submitted on January 5th, 2021. The annual master meter data was reviewed, compiled, and posted at the office by staff as part of normal annual processes. Staff renewed the Association's contract with Wave for phone and internet services and maintained the Association's discounted rates. Manager Kemmis and staff member Clarke attended a virtual training on December 8th, 2020. All staff members attended a virtual training on December 15th, 2020 to obtain CEUs. CEUs are necessary to maintain certifications with the Department of Health. Staff has started the process of reviewing and calculating data necessary for the Water Use Efficiency (WUE) report. Once completed, the WUE report will be submitted to the Department and Health as part of normal annual requirements. WUE data will be mailed to the membership with the April water bills. Staff reported that a member communicated to staff that they did not intend to have their backflow assembly tested, which is an annual requirement outlined within the Association's Cross Connection Control Program. A backflow test report was later received for this member's backflow assembly.

Approval of December 8th Board Meeting Minutes

Motion made by Vice President Tyler Eshleman to approve December's Minutes, seconded by Treasurer Donald Kemmis. The motion passes.

Officers Reports

Treasurer Report and Pay Bills- The financial report was prepared and distributed to the Board summarizing the financial position through January 12th, 2021 (attached). Total funds on hand are \$1,423,577.31. One transfer was made for \$58,000.00 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- \$387,208.12

Capital- \$966,485.00

Reserve- \$69,884.19

Total Expenses- \$51,053.26

Monies were transferred to both Standpipe, Pump House, and Mero restricted accounts.

Motion made by Treasurer Donald Kemmis to approve payment of the bills as presented, seconded by Secretary Raymond Cox. The motion passes.

President- President Klicker reported that he signed share certificates.

Vice President- No report.

Secretary- Secretary Cox reported that he signed share certificates and checks for bills due before the January meeting.

Old Business

Booster Pump Station #1 Property Investigation- President Klicker asked staff if the neighboring property owner to this project's area had been asked about a potential easement. Manager Kemmis informed him that he has not approached the adjoining property owner yet.

As-Built Updating- Staff reported that as-built data has been compiled and provided to DEA so they can start scanning and digitizing the files. The purpose of this project is to digitize as-built files and make them available electronically to staff for use in the field. The estimated cost for this project is approximately \$1,250.00.

New Business

COVID-19 Experience Presentation by Vice President- Vice President Eshleman presented his experience to the board with a positive COVID-19 test within the City of Lake Steven's staff. He shared some of the things he learned during the experience and how the city is changing procedures to deal with the

current pandemic. The board discussed the Association's workforce and how a positive COVID-19 test could affect it.

Annual Rate Review- Rodney presented a rate review memo to the board with a proposed rate increase that would be effective July 1st, 2021. DEA compared the Association's financials for the last fiscal year to the overall financials and forecasted rates. Forecasted rates include increases due to the rising expenses like water and power, wages, benefits and rising capital expenses due to aging infrastructure within the Association. Rodney recommended that the board approve the rate increase. The new rates would include (for a single ERU member) a base rate increase of \$4.00 and a tier increase of \$0.15/CCF for use above 600 CCF on a bimonthly billing cycle. The new base rate would be \$134.00 bimonthly. The new rate for a non-user would be \$22.35 per account. Larger ERU billing rates would also increase with the commodity charge increase of \$0.15/CCF. The memo also included a recommendation to increase the Association's General Facility Charge (GFC) by \$500.00. The new GFC cost would be \$12,000.00 per ERU. The board verbally agreed that it would be best to prepare messaging for the membership in written notifications to be mailed with water bills and using the Association's online presence. Staff will work to prepare notification.

Motion made by Treasurer Donald Kemmis to adopt the rate and General Facility Charge increases as outlined in DEA Memo dated January 12th, 2021 effective July 1st, 2021, seconded by Trustee Terra Nicolle. The motion passes.

Member Assistance Program- Vice President Eshleman asked staff if there are a lot of members who are not currently paying their water bills and have a large outstanding account balance. Staff reported the status of the Association's Member Assistance Program. As part of the program, staff continues to regularly communicate with members enrolled in the program who have an outstanding account balance larger than the Association shut off threshold of \$350.00. Staff reminded the board that Governor Jay Inslee's Proclamation 20-23 has been extended to April 30th, 2021. This proclamation disallows the Association from terminating member's water service and charging late fees. Once the proclamation becomes inactive normal Association policies and procedures will be reinstated. Any members at that time enrolled in the Member Assistance Program will be given an opportunity to work with the Association to payoff their outstanding account balances while avoiding interruption of service for nonpayment.

Association Security- Trustee Nicolle asked about the Association's preparedness for an emergency relating to the possibility of someone attempting to interfere with Association staff or facilities. Staff informed the board that there are many ways the Association is proactively prepared for those types of situations and staff is vigilant to current events which may affect the Association.

Call to Adjourn Meeting

Motion made by Secretary Raymond Cox, seconded by Trustee Doug Knorr. The motion passes. The meeting was adjourned at 8:50 p.m.