

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

December 13th, 2022

The Three Lakes Water Association Board of Trustees held their December 13th, 2022, 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: Secretary Terra Nicolle, Treasurer Donald Kemmis, Trustee Marek Jedrejwicz, Trustee Heidi Mann, and Trustee Yvonne Craig. Trustee Ray Cox and Vice President Tyler Eshleman were excused.

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

Member's Request- Duncan Smith, a member of the Three Lakes Water Association, was introduced by President Jay Klicker at the beginning of the December 2022 Board Meeting. Duncan's purpose was to discuss the leak adjustment he was offered for his November water bill and to request an increase the adjusted amount to include two billing cycles to compensate for delays in repair that the member attributes to actions made by the association. A timeline of events was presented to the board by both the member and association staff. The board held a discussion regarding current policy, what steps the association takes to inform members of potential issues, and where the associations jurisdiction ends. The board concluded that the association would adhere to the currently adopted policy which allows for leak adjustment consideration of a single billing cycle.

DEA Engineers' Report- Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on December 12th, 2022. Highlights of the monthly DEA report are summarized as follows:

171st Water Main Replacement Project- Rodney reported that the preconstruction contract has been received and reviewed by DEA and association staff. Recommended revisions have been sent to DOH and a signature-ready contract should be expected soon.

163rd Culvert Replacement Project- Rodney reported that an email was received from DOH confirming that their project will require relocation of our water main.

Cell Lease Review- 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 December 12th, 2022. Highlights of the monthly manager report are summarized as follows: Water consumption in a 24-hour period has dropped by approximately 15,500 c.f. per day following the December 8th repair of an estimated 81.5 gpm leak. Staff is working with our SCADA integration entity to resolve Multiple telemetry failures that have occurred over the past month. Continuous internet access through our cradle point has been confirmed after a static IP address was obtained for our Verizon hotspot. After a month of utilizing staff time, Association equipment, and borrowed equipment from Roosevelt Water Association and USA Leak Detection Service, a leak was finally discovered by Manager Kemmis on December 7th along 62nd St SE and was repaired with the assistance of D&G on December 8th. A tree fell on the power lines feeding booster pumpstation #2 on Sunday, November 27th resulting in power outage and an automatic switch to generator power. Manager Kemmis and Assistant Manager Klicker responded to the SCADA alarms for the outage and worked with PUD to restore power by the afternoon that same day. The application for the 171st construction loan was submitted November 17th and DOH informed Manager Kemmis that we were the first to apply since they opened for applications in October. Since then, another DOH representative requested a few amendments to our application that have been reviewed with Rodney's assistance and resubmitted as of November 30th. Comments were requested by Snohomish County for a short plat along W Flowing Lake Rd and an appropriate response was emailed on November 29th with the assistance of Rodney. Following communication by Staff Clarke with our insurance entity, the van has been deemed a total loss and a settlement has been proposed. Documentation for a replacement title is required for this transaction, see old business. Staff Clarke continues to cross-train staff in preparation for her departure from the association. The cell committee met on December 7th, see old business. Staff continues to work with both software entities involved to address our ongoing issue with importing meter read information. A billing error was discovered and remedied on December 9th regarding ACH payments. The twelve members affected will be sent a letter relaying what occurred.

Approval of November 8th Board Meeting Minutes

Motion made by Treasurer Donald Kemmis to approve November's Minutes, seconded by Trustee Marek Jedrejewicz. 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 December 13th, 2022 (attached). Total funds on hand are \$1,149,310.37. One transfer was made for \$100,000.00 to cover the bills from the KeyBank account. One bank account is slightly above the FDIC limit, no need for immediate action. 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- \$489,842.91

Capital- \$579,616.35

Reserve- \$79,851.11

Total Expenses- \$104,263.91

Funds were transferred to the Standpipe, Pump House, and Mero restricted accounts.

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

President- President Klicker reported that he assisted with the budget and participated in the cell lease committee

Vice President- Absent.

Secretary- No Report.

Old Business

Draft Budget FY 22-23 Finalization- The final draft budget for fiscal year 2022-2023 was brought before the board. Rodney presented the last few adjustments that were made to address the last couple line items. Insurance premiums have been received and updated on the budget. The capital program has been adjusted as the 171st loan application was amended and resubmitted. Costs regarding the increased water rates proposed by city of Everett have been added to the budget.

Motion made by Treasurer Don Kemmis to finalize the budget for fiscal year 2022-2023, seconded by Secretary Terra Nicolle. The motion passes.

Cell Lease Committee- The cell lease committee met to discuss the lease agreement submitted to the association by Verizon in response to Verizon's desire to modify their facilities located on the association's property. The

committee had previously proposed an increase in rent back in April, to which Verizon appears to have accepted. Verizon proposed to replace the escort time fees with a flat rate monthly use access fee. With Rodney's assistance, the cell lease committee drafted a proposal to replace the fee for escort time with an increased flat rate monthly use access fee from what Verizon proposed. In addition, the committee proposed that Verizon covers the incurred expenses of any professional fees associated with amending and reviewing the cell lease.

Wage Committee- Scheduling to discuss staff's proposal is still pending.

SCADA Issues- Communication failures between the two pump stations and the reservoir have been occurring regularly over the past month. The Association signed a support work contract with our SCADA integrator, Systems Interface. Trustee Marek offered to assist the association with this issue as he has professional network knowledge.

Company Van- The company van was damaged during a windstorm last month. After Staff Clarks communication back and forth with insurance, they've proposed offering \$13,400.50 to settle the claim. In order to accept this settlement, a document will need to be signed giving our insurance entity permission to file for a lost title.

Motion made by Trustee Heidi Mann for Donald Kemmis and Raymond Cox to sign the power of attorney forms so that the insurance company can apply for a lost title to complete the transaction for the Association van, seconded by Yvonne Craig. The motion passes.

New Business

62nd St SE Main Replacement- An 850 ft segment of AC water main that runs along a 62nd St SE appears to be showing its age along the private gravel road. While repairing our broken main on December 8th, our contractor provided Manager Kemmis with a rough estimate to replace that segment. The board agreed that they would like more data to be provided at the next meeting regarding the criticality of this section and requirements to complete the work for their consideration of this project.

Call to Adjourn Meeting

Motion made by Treasurer Donald Kemmis, seconded by Terra Nicolle. The motion passes. The meeting was adjourned at 8:05 p.m.