

THREE LAKES WATER ASSOCIATION – ANNUAL MEETING MINUTES

October 1st, 2024

The Three Lakes Water Association Board of Trustees conducted the Annual Meeting of the Members on October 1st, 2024 at 7:00 p.m. in the Harvey Auditorium which is part of the Snohomish County Fire District #4 Station, located at 1525 Ave D, Snohomish, Washington 98290.

Call to Order

The Annual Meeting was called to order at 7:01 p.m. by President Jay Klicker. Other Board trustees in attendance: Vice President Tyler Eshleman, Treasurer Donald Kemmis, Trustee Ray Cox, Trustee Heidi Mann, and Trustee Marek Jedrzejewicz. Secretary Terra Nicolle and Trustee Yvonne Craig were excused from the Annual Meeting. Secretary Nicolle requested her duties to be executed by Treasurer Donald Kemmis.

Members, Guests & Employees- Engineer Zack Worley of David Evans and Associates, Inc. (DEA), Assistant Manager Kaila Klicker, Staff Member's Seth Way and Brittany Henning acting as recording secretary, were present. Members of the Association were also in attendance and recorded as follows:

John Anderson, Thomas Beisner, Barbara Busse, Karamvir Mann, Steve Campbell, Ryan Collins, Maranda Devos, Jason Flynn, Dale Forney, Andrea Goldy, Stacey Grant, Gregory Heydel, Brian Hoerner, Lorraine Kharbanda, Steven Lefebure, Thomas Leon, John Mannix, Joseph Martin, Ashlee Meads, Hamilton Neelands, Tami Foote, Dan Pugmire, Charles Singh, Anthony Skaggs, Dorla and Ronald Tam, Steven Tucker, Quentin Wagner, Alexander Wanamaker.

Association members signed-in at the door, submitted proxy forms and received proxy ballots by 6:30 p.m. Personal ballots were secured by 7:00 p.m. President Jay Klicker opened the Annual Meeting by thanking the room for their attendance and moving on to host Board Member introductions.

2024 Meeting Highlights:

Assistant Manager Klicker, with assistance from Engineer Worley and Board Members, presented a slideshow outlining many of the Three Lakes Water Association's accomplishments over the past year. Topics presented include: DOH water use efficiency goals, primary Association contractors, 171st Main Replacement Project, Booster Pump Station 1 Upgrade, Big Deer West Developer Extension, Association Staff highlights, and future objectives of the Association.

Non-revenue water for the 2023 reporting year has decreased to 10.8% compared to 23.4% reported in 2022. Member consumption has decreased by 8.34%, moving the Association closer to the goals outlined by Washington State Department of Health. Assistant Manager Klicker presented slides reflecting past year's main replacement projects and non-revenue water reported; the direct correlation between these projects and non-revenue water-loss has displayed the necessity for proactive Association intervention regarding aging and failing infrastructure within a vital segment of our water system. As part of the Association's long range Water System Plan, there has been over 10,000 feet of new ductile iron pipe installed along the 171st Avenue SE stretch from North of Dubuque Road to Three Lakes Road. This replacement project has greatly reduced the non-revenue water loss, as well as mitigated emergency response to main breaks previously encountered and forecasted in this sensitive area of water main.

Booster Pump Station #1 upgrades have been completed and came in about 70% under budget, as compared to rebuilding the site from the ground up. This pump station is now compatible with current technology, equipped with a new generator, switch gear, a newly installed pump, and a new VFD per PUD requirements. This project was all performed by the work of staff, DEA and local entities through the bidding process, keeping costs down while maintaining the quality of work the Association expects.

The Big Deer West Developer Extension has reached completion, adding 9 new membership shares to the Association, as well as 1,200 linear feet of ductile iron main and three new fire hydrants.

Many questions were received from members throughout the presentation and those questions were heard and were responded to by the General Manager, Don Kemmis, Assistant Manager Kaila Klicker, Board of Trustees, and Engineer Zack Worley.

CPA Dan Bhathella of Bellingham CPA submitted Association Fiscal Year 2023/2024 financials; these financial packets were available to members who attended the Annual Meeting. President Jay Klicker provided an overview of the presented financial information, the Board answered related questions posed by members.

Three Lakes Water Association assets are as follows:

- Year-end cash and receivables: \$1,108,433.00
- Net difference between total revenues and total expenses: -\$32,687.00

Other News:

The Verizon Lease Agreement between the Association and Verizon Wireless is underway for renewal. Upgrades and alterations to the lease are being negotiated and will be reviewed by the Board for approval.

Member participation included questions and comments regarding, but not limited to: the Association and infrastructure of the water system, employee and trustee wages and compensation, relationship of staff members, rates reduction, and details outlining the process of initiating by-law amendments regarding proxy forms, voting requirements and process, Annual Meeting and Board Meeting policies.

Trustee Vacancies:

Three Board positions are up for election this year: President Jay Klicker, Trustee Heidi Mann and Trustee Yvonne Craig. These positions shall be filled by reviewing and counting the submitted voting ballots, which were provided to the members upon signing into the Annual Meeting.

Trustee nominations are as follows:

- Steven Lefebure, nominated by Hamilton Neelands
- Tom Beisner, nominated by Karamvir Mann
- Heidi Mann, nominated by Tami Foote
- Jay Klicker, nominated by Dorla Tam

The nominated members were provided floor space to introduce themselves and announce their interest and intent in joining the Three Lakes Water Association Board of Trustees. The members in attendance submitted their ballots to Staff Brittany Henning upon exiting the meeting. The election ballots will be tallied by third party Engineer Zack Worley and results announced in the upcoming October 8th Board Meeting.

Call to Adjourn the 2024 Annual Meeting of the Members

The 2024 Annual Meeting of the Members was adjourned at 9:10 pm. Members returned their ballots to the sign-in desk to be counted and announced at the October 8th Board Meeting.