

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

July 9th, 2024

The Three Lakes Water Association Board of Trustees held their July 9th, 2024 Board Meeting at 6:00 pm. 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 6:01 p.m. by President Jay Klicker. A quorum was satisfied by other Board members in attendance: Vice President Tyler Eshleman, Secretary Terra Nicolle, Treasurer Donald Kemmis, Trustee Yvonne Craig, and Trustee Heidi Mann. Trustee Marek Jedrzejewicz and Trustee Ray Cox were excused.

Members, Guests & Employees- Engineers Rodney Langer and Zach Worley of David Evans and Associates, Inc. (DEA), Assistant Manager Kaila Klicker, Staff Member's Seth Way and Brittany Henning acting as recording secretary.

DEA Engineers' Report -

Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on July 8th, 2024. Highlights of the monthly DEA report are summarized as follows:

Water System Plan Update- Rodney Langer provided a summary of edits to the current WSP draft. The WSP will be fully updated by DEA and will be posted for review on the Association's website for the Board's approval at an upcoming board meeting.

171st AC Water Main Replacement Project Phase 1 – Phase 1 construction has been completed. The 4th loan reimbursement requests for both pre-construction and construction work were submitted to DOH on July 8th.

171st AC Water Main Replacement Project Phase 2 – The Phase 2 contract has been signed by the President and permits and submittals have been approved. The notice to proceed was issued for July 1st with construction beginning on July 2nd. Initial labor interviews were completed. DEA contacted Snohomish County regarding their culvert replacement portion of this project. Their project was originally scheduled for 2025 but has been delayed until 2028. The General Manager and DEA will coordinate to evaluate

this work and its ongoing timeline in relation to the Association's current capital improvement projects.

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 July 8th, 2024. The idle pump time as of July 8th was 1 hour and 45 minutes with an average 24-hour volume of 38,860 c.f. The calculated non-revenue water for the period ending in June was 11.26% compared to 16.39% in April. There has been one communication failure over this past month that required a response from Manager Kemmis or Assistant Manager Klicker. Pump 3 was reinstalled by PumpTech on June 28th and the alignment was completed July 3rd.

One new service was installed on Three Lakes Road on June 25th by PSTS. A request was received regarding providing new service to a parcel outside of our retail service area. This property is within PUD's current service area. PUD denied the request to serve the parcel water and stated that the Association is authorized to serve. Manager Kemmis spoke with the individual about the next steps to move forward should the requestor initiate development. Required DWSRF documentation was submitted to DOH for 171st Phase 2 on June 8th. Notices to members potentially affected in this work zone were informed on June 19th of the project initiation. Staff discussion for the design of Phase 3 is in progress. The SCADA integration process completed by Systems Interface is running under the new parameters and is under review. Draft as-built data for Rivertown Homes West DE was submitted to DEA on June 26th. The data was returned to the developer the following day for revisions to finalize the as-built records.

The testing process for the automatic payment option is almost complete before it is offered to members for use. Snohomish County requested comments from members on their Coordinated Water System Plan to move forward with final approval. The Association completed the voting process as was also requested. The Association is preparing for the CPA's fiscal year end process. Rate increases for the current fiscal year went into effect on July 1st. The deadline to submit lead and copper data, as required by EPA, has been established as October 16th, 2024. Staff Way has been working to reconfigure retired office equipment with updated hardware for further efficiency in the office. Staff continues to perform field duties including, but not limited to, vegetation control, valve maintenance, hydrant confirmation, and flushing activities. Meter reading and billing was completed on time. LiquiVision provided a quote for tank cleaning. The Association's plan is to move forward with this task to continue the tank's 7-year cleaning cycle.

Approval of June 11th's Board Meeting Minutes

Motion made by Vice President Tyler Eshleman to approve June's Board Meeting Minutes; motion seconded by Treasurer Don Kemmis. The motion passes.

Officers 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 July 9th, 2024. Total funds on hand are \$1,082,572.67. A combined transfer in the amount of \$110,000.00 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.

Current Financial Information

General Funds- \$ 326,226.05
Capital Funds- \$ 513,304.75
Reserve Funds- \$ 243,041.87
Total Expenses- \$ 96,388.03

Motion made by Trustee Yvonne Craig to approve payment of the bills as presented, seconded by Vice President Tyler Eshleman. The motion passes.

President- Signed new shares, signed Phase 2 contract documents.

Vice President- Signed checks, spoke with staff.

Secretary- Signed checks and shares

Treasurer- Fiscal year-end preparation

Old Business

Signer Card Update- Staff Henning provided details to Board members regarding the last banking items needed to complete this process.

Draft FY 24/25 Budget- The draft budget as was presented by the President in the June board meeting was discussed for adoption.

Motion to approve the Association's FY 2024/2025 draft budget made by Vice President Tyler Eshleman, seconded by Secretary Terra Nicolle. The motion was objected to by Trustee Heidi Mann. The motion passes.

New Business

Big Deer West Developer Extension- Construction work has been completed, as well as the testing process. DEA is working with the developer to prepare final closeout documents for the Association.

Motion to authorize the President to accept the Big Deer West Developer Extension as complete, upon receiving advice from the Manager and DEA that all requirements have been fulfilled for final acceptance, made by Vice President Tyler Eshleman, seconded by Treasurer Don Kemmis. The motion passes.

Verizon Cell Lease Amendment- Verizon's most recent proposed lease and construction revisions were received on May 24th. DEA completed a review of the proposed documents and presented a table and the lease amendment to the Board depicting the cell lease committee's position and the key changes Verizon proposed.

Motion to authorize the President to sign the Verizon lease amendment, in substantially the form attached, subject to review and refinement by the Association's legal counsel, if Verizon accepts the amendment as proposed by the Association made by Treasurer Don Kemmis, seconded by Vice President Tyler Eshleman. The motion passes.

Trustee Heidi Mann exited the meeting at 6:39 pm.

At the request of Vice President Tyler Eshleman, President Jay Klicker agreed to convene an executive session to discuss harassment claims received. Motion made by Vice President Tyler Eshleman, seconded by Secretary Terra Nicolle. The motion passes and the executive session begins at 7:10 pm with President Jay Klicker, Vice President Tyler Eshleman, Secretary Terra Nicolle and Trustee Yvonne Craig present. The executive session adjourned at 7:30 pm with all the above trustees present. Recording Secretary Brittany Henning rejoined the meeting.

Motion to form a committee with designated Board members to initiate an investigation into this matter with a meeting date TBD made by Vice President Tyler Eshleman, seconded by Trustee Yvonne Craig. The motion passes.

Call to Adjourn Meeting

Motion made by Secretary Terra Nicolle to adjourn the meeting; motion seconded by Vice President Tyler Eshleman. The motion passes. The meeting was adjourned at 7:34 pm.