

THREE LAKES WATER ASSOCIATION – BOARD MEETING MINUTES

May 14th, 2024

The Three Lakes Water Association Board of Trustees held their May 14th, 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 6:00 p.m. by President Jay Klicker. A quorum was satisfied by other Board trustees in attendance: Vice President Tyler Eshleman, Secretary Terra Nicolle, Treasurer Donald Kemmis, Trustee Marek Jedrzejewicz, Trustee Yvonne Craig, Trustee Heidi Mann. Trustee Ray Cox was unexcused. Trustee Yvonne Craig exited the meeting during the Executive Session.

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, were present.

DEA Engineers' Report -

Engineer Rodney Langer presented a summary of his status report, which was e-mailed and provided to the Board on May 13th, 2024. Highlights of the monthly DEA report are summarized as follows:

Water System Plan Update- Staff and DEA met with DOH engineers and planners to go over comments and responses. A follow up meeting was held for clarification. DEA will be completing refinements for review by the Board at a future board meeting.

171st AC Water Main Replacement Project Phase 1– Phase 1 construction is complete and is in process for closeout. A Reconciliation Change Order was recommended to settle the final contract amount, amending for a net reduction of \$70,173.18 and a 24-day contract extension due to inclement weather and final paving. Final Pay Estimate #4 has been prepared and provided to D&G and the Association for approval.

171st AC Water Main Replacement Project Phase 2– Phase 2 plans have been approved by Snohomish County public works and a permit was issued. Plans have been approved by DOH. The project was advertised for bid, bids were received on May 6th and the responsible low bidder was D&G Backhoe, Inc.

Big Deer West Developer Extension- A preconstruction meeting was led by DEA with the developer, contractor, and staff. The bond, insurance, and support were reviewed and confirmed to be in compliance with Association requirements.

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 May 13th, 2024. The idle pump time as of May 13th was 3 hours and 10 minutes with an average 24-hour volume of 24,419 c.f. The calculated non-revenue water for the period ending in April was 16.39%, compared to 19.38% in February. Communication failures continue every 12 hours or less, requiring a response from Manager Kemmis or Assistant Manager Klicker. Staff Way is working with Trustee Jedrzejewicz to work towards a solution to this on-going issue. A power outage due to high winds occurred on April 20th, affecting the office site and both pump stations. Telemetry communication for all sites was down for an extended period therefore, pumps were operated manually until communication restored hours later. The morning of April 18th, staff were performing usual rounds when Pump 3 exhibited an unusual screeching sound while running. Pump 3 was taken off-line, PumpTech was contacted, and the following morning, Pump 1 was brought online as the installation of reliable main was complete near pump station one. Once Pump 1 was brought back online, several telemetry high flow alarms occurred. It was determined that the numbers presented were inaccurate. COE replaced this equipment, resolving this issue on April 30th. Systems Interface was contacted on April 26th regarding system fault and failure alarms that began occurring at BPS#1 on April 25th. After connections and configurations were confirmed, the issue appears to have been resolved. Department of Ecology announced a declaration of drought through the state, due to this year's low snowpack; those provided water from the City of Everett are exempt from the drought at this time. The Association has received payment for the third construction loan reimbursement request. Considerations for Phase 3 specifications have been initiated and early design plans were provided by DEA to the Association for review. Staff Way performed testing on older meter bodies, confirming units are still properly functioning. A share has been revoked per policy, following attempted communication and no payment from this member, as the account balance exceeded the share revocation threshold. Autopay testing is in process; Secretary Terra Nicolle tested this payment option and provided feedback. The Spring Newsletter was mailed in tandem with April's billing and included this year's yard watering calendar. This information can also be found on our website. As of May 13th, there are zero unknown service materials on the Association's side and 275 services with unknown material type out of 874 services. This inventory report is due this September and DOH announced that its portal for submitting inventories is now open. Annual staff evaluations and payroll audit were conducted. The annual purveyor analysis has been completed. Trustee Yvonne Craig requested information related to a utility consultant that was previously contacted in February 2023 and an analysis of the systems and operations efficiency. Trustee Yvonne Craig was provided with the last two Sanitary Surveys, assessed by DOH to assist with this request. Staff Henning provided information to the

Board related to remaining tasks for updating banking signer cards. Staff have been working on spring vegetation control and valve maintenance. April's bacteriological sample results were satisfactory. Booster Pump Station #1 update is near completion with a cost of approximately 25% of a bare boned, brand-new station with a single pump.

Approval of April 9th Board Meeting Minutes

Motion made by Vice President Tyler Eshleman to approve April's Board Meeting Minutes; motion seconded by Trustee Marek Jedrzejewicz. 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 May 14th, 2024. Total funds on hand are \$1,326,499.23. \$125,000.00 was transferred between accounts to cover this month's bills. A partial transfer of \$40,000.00 was made from an account exceeding the FDIC limit. 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- \$ 330,740.60

Capital Funds- \$ 792,733.15

Reserve Funds- \$ 203,025.48

Total Expenses- \$ 117,155.02

Motion made by Secretary Terra Nicolle to approve payment of the bills as presented, seconded by Vice President Tyler Eshleman. The motion passes.

President- Signed Big Deer West DE agreement, signed new shares

Vice President- Fulfilled signature card requirements at Bank of America, signed checks

Secretary- Fulfilled signature card requirements at Bank of America, signed shares, provided details on testing new billing autopay feature.

Treasurer- An additional \$40,000.00 transfer to cover bills out of a Pacific Premier account reaching FDIC limit was completed from operating to operating, fulfilled signature card requirements at Bank of America.

Old Business

171st AC Water Main Replacement Project Phase 1 Change Order- DEA presented a recommended contract change order to reconcile the final contract quantities with a net reduction of \$70,173.81.00 and to grant a 24-day extension of contract time for 171st Phase One Project work with an additional 90 linear feet of 8" DI main and two additional services installed.

Motion to accept project as complete, authorize President to sign Change Order and Board to authorize payment of final pay estimate, and release retainage once noted conditions are satisfied made by Vice President Tyler Eshleman, seconded by Trustee Marek Jedrzejewicz. The motion passes.

171st AC Water Main Replacement Project Phase 2- DEA presented proposed Task Order 22-01 Amendment No. 4 for provision of bid and construction support services.

Motion to authorize the General Manager to execute proposed Task Order 22-01 Amendment No. 4 in the amount of \$65,654 for bid and construction support services by DEA made by Vice President Tyler Eshleman, seconded by Treasurer Don Kemmis. The motion passes.

New Business

Recommendation of Award- With 8 bids received on May 6th, D&G Backhoe was determined to be the responsible low bidder.

Motion to Award the 171st Phase 2 project contract to D&G Backhoe, Inc. in the amount of \$1,098,053.30, and to authorize the President to execute the contract when it is ready including bond and insurance made by Vice President Tyler Eshleman, seconded by Treasurer Don Kemmis. The motion passes.

Trustee Heidi Mann inquired if there were inside deals occurring between the Association and D&G Backhoe, Inc. and questioned why D&G Backhoe, Inc. performs all our work. It was clarified by Vice President Tyler Eshleman that D&G Backhoe, Inc. performs work all throughout the area and is well versed in the bidding process. It was also clarified that D&G Backhoe, Inc, does not perform all the Association's construction work.

Auto-Bill Pay- Secretary Terra Nicolle presented her experience with the initial test run using the new autopay feature. Secretary Terra Nicolle was pleased to find that the portal features offered what she was expecting from a payment system and is looking forward to its implementation.

Concerns- Secretary Terra Nicolle shared thoughts and concerns related to board conduct in and outside of board meetings. It has come to Secretary Nicolle's attention that a trustee, currently on the board, is speaking ill of the Association within the industry and local community.

At the request of Vice President Tyler Eshleman, President Jay Klicker agreed to convene an executive session to discuss Board conduct. Motion made by Vice President Tyler Eshleman, seconded by Trustee Yvonne Craig. The executive session began at 7:22 pm. The executive session adjourned at 8:08 pm.

The regular board meeting session reconvened at 8:08 pm with all initial trustees present except for Trustee Yvonne Craig and no action was taken.

Vault Pumping- City of Everett contacted the Association based on our most recent Sanitary Survey to coordinate facilitating pumping water out of the Association's wet vaults to avoid damage to meter units.

Call to Adjourn Meeting

Motion made by Vice President Tyler Eshleman to adjourn the meeting; motion seconded by Trustee Marek Jedrzejewicz. Motion passes. The meeting was adjourned at 8:14 pm.