

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
Thursday, February 19, 2015**

The Regular Meeting was called to order at 3:30 p.m. at the District office. Present at the meeting: Commissioners L. R. Ghilarducci, Jr., J. S. Korsmo, Jr., and G. J. Rediske; General Manager R. Black; Superintendent I. Black; Finance Director D. Logan; and District Secretary C. Butler.

PUBLIC COMMENT:

No members of the public were present.

EXECUTIVE SESSION PER RCW 42.30.110(1)(I), DISCUSSION WITH DISTRICT LEGAL COUNSEL RE. TEMPORARY SERVICE AGREEMENT AT 5124 SEATTLE AVENUE: President Ghilarducci called for a 15-minute Executive Session at 3:31 p.m. to discuss possible litigation with District general counsel, J. Milne regarding certain water service Temporary Service Agreements relating to the proposed Seattle Avenue Water Main Project. At 3:46, the Executive Session concluded and the open Regular Meeting resumed.

Following discussion, Commissioner Korsmo made a motion to authorize District staff to extend the offer to the property owners with temporary water service agreements which would be affected by the Seattle Avenue Water Main Project to pay the lower of the District's front footage and general facilities connection charge applicable to those properties when those properties were required to connect to the Seattle Avenue water main once installed by the District. Commissioner Rediske seconded the motion, and it passed by a unanimous vote. District staff was then directed to advise the affected property owners accordingly.

APPROVAL OF MEETING MINUTES:

Commissioner Rediske moved to approve the minutes of the January 15, 2015 Regular Meeting. Commissioner Korsmo seconded the motion, and it was passed by a unanimous vote.

FINANCIAL INFORMATION:

The Finance Director presented the December 2014 and January 2015 financials to the Board.

Disbursements made from the General Ledger Fund for check number 33263 through 33403 totaling \$1,125,547.85, salary direct deposits totaling \$158,335.18, payroll taxes totaling \$57,548.53, and electronic payments totaling \$42,536.89, for a grand total of \$1,383,968.45 were presented to the Board for approval. After review, Commissioner Rediske moved to approve the payables as listed. Commissioner Korsmo seconded the motion, and it was passed by a unanimous vote.

BOARD AWARD OF MINI-EXCAVATOR CONTRACT:

The General Manager reported one responsive bid was received for the purchase of a 2015 John Deere 60G mini-excavator and equipment at the bid opening on February 10 from Papé Machinery, Inc. of Tacoma, Washington at a price of \$72,751, including sales tax. Jennings Equipment, Kabota dealer in Puyallup, Washington, submitted a bid via email the day prior to the bid opening. This bid could not be accepted as responsive, as it did not include a trade-in price for the District's 310J John Deere Backhoe as listed in the bid specifications and it did not meet the requirements of the sealed bid process.

Subsequent to the bid opening, the District determined it would be better served by a different bucket than the one listed in the specifications. The price difference in buckets plus the addition of another piece of desired equipment resulted in an additional price of \$3,829, including sales tax. The total cost of the mini-excavator and all related equipment was therefore \$76,580, still below the budget of \$78,520 (total budget of \$107,020 minus trade-in of \$28,500). The General Manager recommended the Board award the contract for the purchase of the mini-excavator and equipment to Papé Machinery. Commissioner Rediske moved to award the contract to Papé. Commissioner Korsmo seconded the motion, and it was passed by a unanimous vote.

BOARD APPROVAL OF 2015 DEVELOPER'S EXTENSION AGREEMENT:

The 2015 Developer's Extension Agreement was presented for approval with only four substantive changes proposed from the 2014 Developer's Extension Agreement. The changes included more specific requirements for water service pipe materials, added statements about the use of mechanical joint restraints, and two drawing changes. The General Manager recommended the Board approve the 2015 Developer's Extension Agreement as presented. Commissioner Korsmo moved to approve the 2015 Developer's Extension Agreement. Commissioner Rediske seconded the motion, and it was passed by a unanimous vote.

REQUEST FOR DISCOUNT ON 4-INCH FIRE LINE—FIRST BAPTIST CHURCH YOUTH & COMMUNITY CENTER:

The General Manager reported the First Baptist Church of Lakewood, working with the City of Lakewood and the Clover Park School District, was working on converting the old Pierce County Sheriff's Precinct into a Youth and Community Center. Purchasing the property from the County in December, 2011, they have been remodeling the inside of the building to accommodate the Youth and Community Center, investing over \$1M on this project so far. This is a community project, designed and developed to aid the community and its youth. The Lakewood City Council waived building permit fees in the amount of approximately \$4000 to assist the church in its construction of the center. The church submitted a letter to the District as an official request for assistance from the Board of Commissioners to reduce the cost of installing a 4-inch fire line to the 12,000 square-foot facility. Since this project would benefit the entire community and therefore the District rate-payers, the General Manager suggested the Board could reduce the

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General Facilities Charge by one-half, from \$6,634 to \$3,317. Commissioner Rediske moved to reduce the GFC charge on the 4-inch fire line by one-half. Commissioner Korsmo seconded the motion, and it was passed by a unanimous vote.

SUPERINTENDENT'S REPORT:

The Superintendent's Report was provided to the Board in its entirety in the pre-agenda packets. Supplemental to his report, the Superintendent updated the Board on the Meter Replacement Project and the Bridgeport Way Project. He stated the District had been billed from the City of Lakewood on the project with no opportunity to manage the costs, such as being charged for inspection by the City for the District's water work which required no inspection from the City but was being provided by the District. District staff will check the agreement between the City and the District to see what dispute resolution exists in the contract and report back to the Board accordingly.

FINANCE DIRECTOR/OFFICE SUPERVISOR'S REPORT:

The Finance Officer informed the Board of a PERS audit being performed by the State Auditor's Office. A field visit is scheduled for March 16 and 17, 2015. A copy of the entrance document was distributed to each Commissioner.

The Office Supervisor reported employee M. Thomas was on maternity leave. J. Williams, an intern/part-time employee from Clover Park Technical College, is helping to fill in during Ms. Thomas' leave.

OTHER BUSINESS:

Board Acknowledgement of Employee Wage Increases—The Board acknowledged wage increases for employees S. Bosma and D. Young.

Customer Calls re. Rate Increase Letter—The General Manager reported the District had only received three calls since the last meeting regarding the rate increase letter, and all were calls requesting information, not voicing complaints. These three calls added to the 27 calls reported at the January 15 meeting equaled 30 calls total, a very low percentage considering the almost 17,000 District customers.

With no additional business to address, President Ghilarducci adjourned the meeting at 4:27 p.m.

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



ITS PRESIDENT

BY:



ITS VICE PRESIDENT

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BY:



ITS SECRETARY

ATTEST:



DISTRICT SECRETARY