

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Special Meeting
Friday, May 30, 2014**

The Special Meeting was called to order at 8:30 a.m. at the District office. Present at the meeting: Commissioners L. R. Ghilarducci, Jr., G. J. Rediske; General Manager R. Black; Superintendent I. Black; District Secretary C. Butler; Secretary T. MacDougall; legal counsel D. Findlay-Reitan; former employee M. Vashey and companion. Commissioner Korsmo was unable to attend today's meeting due to out-of-town scheduling conflicts and was officially excused by the remainder of the Board. Finance Director D. Logan was also not in attendance due to vacation, so the General Manager would present the financials to the Board.

PUBLIC COMMENT:

Ms. Vashey, a former at-will status Introductory Period employee, beseeched the Board to reinstate her employment, stating she performed her job to acceptable levels of skill and ability and always enjoyed coming to work at the District. The Board had received a letter from Ms. Vashey just prior to the meeting asking for her reinstatement, but the Board members had not yet had time to review.

The Board considered going into Executive Session to discuss the matter with legal counsel, but could not issue official action as it was a Special Meeting and the Executive Session was not previously announced on the agenda. President Ghilarducci explained the situation to Ms. Vashey and said the Board would take the matter under advisement and respond at the June 19 meeting. Ms. Vashey asked how the timing would work with the June 19 action/response in light of the pending final interviews and filling of the position left open by Ms. Vashey. Legal Counsel Reitan advised Ms. Vashey this would be a matter to discuss with the General Manager, as it was included in his prevue and did not necessarily concern the Board. Ms. Vashey and her companion were welcomed to be excused or stay for the remainder of the meeting. They excused themselves near the end of the agenda.

APPROVAL OF MEETING MINUTES:

Commissioner Rediske moved to approve the minutes of the April 17, 2014 Regular Meeting. Commissioner Ghilarducci seconded the motion, and it was therefore passed by a unanimous vote.

FINANCIAL INFORMATION:

The Finance Director presented the April financials to the Board.

Disbursements made from the General Ledger Fund for check number 32115 through 32305 totaling \$718,483.31, payroll taxes totaling \$49,621.75, salary direct deposits totaling \$129,994.72, and electronic payments totaling \$491,432.21, for a grand total of \$1,389,531.99 were presented to the Board for approval. After review, Commissioner Rediske moved to approve the payables as listed. Commissioner Ghilarducci seconded the motion, and it was therefore passed by a unanimous vote.

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In the payables, President Ghilarducci noticed charges for three real estate appraisals performed on the Bridgeport Way property currently for sale and asked about the progress of that sale. The General Manager stated he would be discussing this later in the agenda and would be changing his recommendation to keep the property versus selling it. No offers had been made on the property.

President Ghilarducci also asked what the balance was on the District's Public Works Trust Fund Loan. The General Manager did not have that number readily available, so the District Secretary made a note to check with the Finance Director when he returned.

BOARD ADOPTION OF RESOLUTION NO. B-1418 AND DISCUSSION WITH LEGAL COUNSEL RE. PUBLIC DISCLOSURE LAW AND THE OPEN GOVERNMENT TRAINING ACT:

Legal counsel D. Findlay-Reitan of Inslee, Best, Doezie & Ryder presented to the Board Resolution No. B-1418, updating the District's policy and resolution as it relates to Public Disclosure law and complying with certain recent law changes. The resolution is constructed such that the District policy will be able to be kept current via Board motion versus new/repealed resolutions in the future. Commissioner Rediske moved to approve the updated Public Disclosure policy and adopt Resolution No. B-1418. Commissioner Ghilarducci seconded the motion, and therefore it passed by a unanimous vote.

Ms. Reitan also discussed with the Board the practical requirements of the recently passed Open Government Training Act. District Commissioners and management staff will be required to receive training regarding public disclosure and the Open Meetings Act. The General Manager recommended to the Board that Ms. Reitan provide the training, as he had experienced it at a recent WASWD Conference and it was a strong suit in her law knowledge and practice. The General Manager and Secretary to the Board will work with Commissioner and management calendars and schedule the training to be provided by Ms. Reitan in-house.

Ms. Reitan also discussed with the Board some practical "Do's and Don'ts" as they pertain to communicating District business; namely, not discussing District business on a personal or business computer or phone outside the District's, as those devices would become subject to public disclosure. More information and exhortation on these matters will be included in the training from Ms. Reitan.

BOARD ADOPTION OF RESOLUTION NO. B-1417, CONDITIONS OF SERVICE:

The General Manager presented Resolution No. B-1417, detailing the District's authority as it pertains to its water system and providing water service to its customers. This resolution and policy was drafted by legal counsel J. Milne of Inslee, Best, Doezie & Ryder. Again, the resolution was written such that it will adopt the policy and the policy can be updated via passed Board motion as needed. This will serve the District and its customers in the area of meter maintenance, etc. Commissioner Rediske moved to adopt Resolution No. B-1417, Commissioner Ghilarducci seconded the motion, and it was therefore passed by a unanimous vote.

BOARD AWARD OF SYLVAN PARK R&R PROJECT:

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Five bids were received by the District for the Sylvan Park R&R Project. The three lowest bids were from Pape & Sons Construction, Inc. of Gig Harbor, Washington at \$725,240.50; Macnak Construction of Lakewood, Washington at \$795,848.90; and Kar-Vel Construction of Lakewood, Washington at \$806,070.14. The lowest bid from Pape & Sons came in over \$17K under the Engineer's Estimate of \$903K and approximately \$40K under budget on engineering. The General Manager recommended the Board award the project to Pape & Sons. Commissioner Rediske moved to award the Sylvan Park R&R project to Pape & Sons, Commissioner Ghilarducci seconded the motion, and it was therefore passed by a unanimous vote.

DISCUSSION RE. POSSIBLE PURCHASE OF PROPERTY ADJACENT TO SCOTT'S WELL SITE AND TAKING BRIDGEPORT WAY PROPERTY OFF SALE MARKET:

The General Manager distributed to the Board a memo from B. Clothier of Robinson Noble regarding the recommendation of the possible purchase of a new well site as well as taking the Bridgeport Way property off the market for similar reasons/resources for the future. The new well site property is 1.8 acres, one of only 20 properties in the City of Lakewood 1 acre or more in size. The size, location, and proximity to the District's wholesale water transmission main make it full of advantage and cost savings to the District. The property, owned by a Pilipino church, has three buildings on the property, none of which will probably prove valuable or useful to the District, but that is yet to be determined.

The property was initially listed for \$1.2M. The 2014 assessed value of the property (land and buildings) from the Assessor-Treasurer's office is \$760,300, and the General Manager was of the opinion after reviewing the tax records from the Assessor-Treasurer's office that the District could obtain the property for far below the assessed value. As for paying for the property, the General Manager stated he believed the District has the necessary funds in mere savings on 2014 project, some being pushed back to next year and also \$178K savings on the AMI Meter Replacement Program, and more savings on the recently awarded Sylvan Park R&R Project.

The General Manager recommended further investigation into this possibility, including a site visit, to include Commissioner Ghilarducci, with a report provided to the Board at the June 19 meeting. The Board concurred.

The General Manager further reported there had been no offers received on the District's Bridgeport Way property, and he recommended the District take it off the market and hold off on selling it at this point. This also stands as a possible site for a new well. The Board concurred.

SUPERINTENDENT'S REPORT:

The Superintendent's Report was provided to the Board in its entirety in the pre-agenda packets. Supplemental to this report, the Superintendent informed the Board re. a couple utility strikes on District mains by contractors where they were disputing their accountability/responsibilities in the situation. The District has been working with the City on the matter and obtained a tort form from them to complete and submit.

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At 9:30 a.m., President Ghilarducci called for a 5-minute break in the agenda. The open Regular Meeting resumed at 9:35 a.m.

OFFICE SUPERVISOR'S REPORT:

Assistant Office Supervisor/Secretary T. MacDougall assisted the General Manager in giving the Office Supervisor's Report. New IT Tech P. Kang will begin work on 5/28/14, and out of 129 applications, the District's interview teams have whittled the race down to five final candidates for the Customer Service Representative II position.

OTHER BUSINESS:

Superintendent WDM-4 Certification—The General Manager was proud to announce Superintendent I. Black had obtained his Water Distribution Manager-4 certification. He only need a level 3 certification, but went for the "gold" and got it.

No Offers on 115th Street Property—The General Manager reported the District had received no offers on the 115th Street Property despite advertisements published in *The News Tribune* and the *Daily Journal of Commerce*.

City of Yelm Possible Interest in Wholesale Water—Officials of the City of Yelm will be meeting with District management in the near future regarding their possible general interest in securing wholesale water.

Cross Connection Control Tester Discrepancy—It had come to the District's attention that a certain Backflow tester's reports/reporting process may be flawed and possibly out of compliance with state law. The General Manager provided the Board with an explanation of some recent events/facts. The District will be forwarding the necessary information to the State and will keep the Board informed of any developments especially as they would affect the District and/or its customers.

With no business remaining, President Ghilarducci adjourned the meeting at 9:58 a.m.

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:

BY:

ITS PRESIDENT

ITS VICE PRESIDENT

BY:

ATTEST:

ITS SECRETARY

DISTRICT SECRETARY