

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
Thursday, June 16, 2016**

The Regular Meeting was called to order at 3:30 p.m. at the District office. Present at the meeting: Commissioners L. R. Ghilarducci and G. J. Rediske; General Manager R. Black; Superintendent I. Black; Finance Director D. Logan; and Secretary T. MacDougall. Commissioner Korsmo was not able to attend due to a scheduling conflict and was officially excused by the remainder of the Board.

PUBLIC COMMENT:

No members of the public were present.

APPROVAL OF MEETING MINUTES:

Commissioner Rediske moved to approve the minutes of the May 19, 2016 Regular Meeting. Commissioner Ghilarducci seconded the motion, and it was passed by a unanimous vote.

FINANCIAL INFORMATION:

The Finance Director presented the May financials to the Board.

Disbursements made from the General Ledger Fund for check number 35293 through 35391 totaling \$576,214.27, salary direct deposits totaling \$126,636.16, payroll taxes totaling \$50,092.36, and electronic payments totaling \$1,062,706.80, for a grand total of \$1,815,649.59 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 passed by a unanimous vote.

DEPARTMENT OF ECOLOGY INTERAGENCY AGREEMENT—REQUEST BOARD APPROVAL AND AUTHORITY GRANTED TO GENERAL MANAGER TO EXECUTE:

The Board was provided with a copy of the Interagency Agreement (IAA) between Department of Ecology (DOE) and the District. This agreement is part of the requirement for the \$1.5 million procurement of replacement equipment from the State. District consultant, G. Peterson of Peterson Associates, has been serving as the project manager and is helping to secure the funds along with working through the basics of this agreement. District legal counsel, J. Milne, has reviewed and offered his comments as well.

The agreement states the District is required to share information and progress updates with the Department of Ecology as part of its requests for payments. The District expects to receive payments on a monthly basis. This portion of the agreement covers

Minutes of Board of Commissioners' Regular Meeting

June 16, 2016

Page 2

the design, permitting, and engineering of the first phase. The remaining balance will be used towards the replacement of equipment.

The District requested several changes to the agreement which 90 percent were approved, however, the request to change the language in Section 10 which states DOE may exercise the right to terminate the agreement, suspend performance of the agreement, or suspend funding depending on the availability of funds without notification was denied. However, Mr. Milne is confident DOE will notify the District if any of these situations occur because every contract under Washington common law has an implied covenant of good faith and fair dealing. The General Manager recommended the Board approve the IAA with DOE and authorize him to sign the agreement. Commissioner Rediske moved to approve the IAA and grant the General Manager authority to sign the agreement. Commissioner Ghilarducci seconded the motion, and it was passed by a unanimous vote.

WHOLESALE TRANSMISSION EXTENSION UPDATE:

The District has now heard from all its wholesale partners who are all in agreement with moving forward with funding the phase of the study to evaluate the costs and routes possible for extending the Wholesale Transmission Main to Rainier View Water Company's service boundary area. District Engineer RH2 has begun this evaluation which should be completed by the middle to the end of August. The other significant piece of this evaluation is possibly looking at the Tacoma Rail easement as a possibility for constructing the water main and avoiding the County right-of-way. The District is exploring all the issues surrounding this including permit costs and annual fee charges for the use of the Tacoma Rail easement and whether or not this is going to be cost prohibitive in the long run. District Superintendent, I. Black and District Engineer, C. Gibson will be riding the rails with the Tacoma rail master from the Summit intertie to 176th and Canyon the following week to do an assessment and check on a possible route.

It was also shared that RH2 will be doing an evaluation for Spanaway Water Company to assess the cost/value of utilizing wholesale water from Lakewood Water District versus Tacoma Water along with evaluating the cost of delivery from their own wells versus buying wholesale water. There is little doubt the District is the less expensive for the capital upfront costs as well as the volume rates based on the District's knowledge of the costs in purchasing water from Tacoma Water.

DELINQUENT POLICY MODIFICATION:

The General Manager has requested to amend the Billing and Delinquent Account and Procedures policy. Currently, the policy states "At approximately 55 days, if payment has not been received by the District office, the District will generate a Disconnection for Non-Payment service order, and the account will be charged a \$40 Dispatch Fee at that time. The account's meter will then be turned off and locked for Non-payment." To avoid any confusion or argument, he is recommending the language be changed to say "At approximately 55 days, if payment has not been received in the District office by

Minutes of Board of Commissioners' Regular Meeting

June 16, 2016

Page 3

8:00 a.m. the morning of the disconnection, the District will generate a Disconnection for Non-payment service order, and the account will be charged a \$40 Dispatch Fee at that time which is required to be paid even if the customer pays the bill before water is physically turned off." Commissioner Rediske moved to amend the policy. Commissioner Ghilarducci seconded the motion, and the motion was passed by a unanimously vote.

SUPERINTENDENT'S REPORT:

The Superintendent's Report was provided to the Board in its entirety in the pre-agenda packets.

Additionally, he reported the R&R projects are proceeding as scheduled. Issues have arisen with District contractor R.L. Alia regarding the Seattle Avenue project. Alia is requesting a five-month extension to the project, claiming a delay due to high water tables. The District is offering to give a 59-day extension per contract requirements.

FINANCE DIRECTOR/OFFICE SUPERVISOR'S REPORT:

Nothing to report.

OTHER BUSINES:

Board Acknowledgement of Employee Wage Increases—The Board acknowledged wage increases for employees I. Black, V. Buckley, and M. Thomas.

New employee—The General Manager informed the Board of new employee, Kevin Wyckoff, who was hired to work as the District's GIS Technician. Kevin is from the Oregon area and has no experience locally. He will be helping the District get up to date with its GIS needs. The District was initially considering hiring a consultant from engineering firm MSA (Murray, Smith & Associates) or an intern this year to help in this area but does not have the need now.

Cascadia Rising Exercise—The office and field staff participated in the Cascadia Rising exercise this last Tuesday. Pumping Department Head D. Hall, Accounting Specialist V. Buckley, and WW III Z. Smith were all moderators for the drill. D. Hall participated the next day as liaison in a drill at St. Clare Hospital, and Pumping Lead D. Stanley served as liaison Thursday at a drill at West Pierce Fire. This exercise helped District be more prepared in the event of a disaster as well as brought to management's attention potential items that may need to be included in the upcoming budget for preparation for such an event.

With no additional business to address, President Ghilarducci adjourned the meeting at 4:10 p.m.

Minutes of Board of Commissioners' Regular Meeting

June 16, 2016

Page 4

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

ATTEST:



DISTRICT SECRETARY