

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
Thursday, July 21, 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, 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.

APPROVAL OF MEETING MINUTES:

Commissioner Rediske moved to approve the minutes of the June 15, 2016 Regular Meeting. Commissioner Ghilarducci seconded the motion as Commissioner Korsmo was not able to attend the June meeting, so the motion passed by a unanimous vote.

FINANCIAL INFORMATION:

The Finance Director presented the June financials to the Board.

Disbursements made from the General Ledger Fund for check number 35392 through 35526 totaling \$754,292.50, salary direct deposits totaling \$129,407.22, payroll taxes totaling \$51,120.33, and electronic payments totaling \$479,318.61, for a grand total of \$1,414,138.66 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.

VACATION ROLLOVER:

The General Manager discussed with the Board a possible addition to the District's vacation policy involving rollover and/or cash-out of vacation hours under certain conditions and criteria. It has been, and will continue to be, an emphasis from management and the Board of Commissioners for employees to take their vacation, and the District will always strive to accommodate employees' vacation requests. However, when circumstances prevent the taking of vacation, a roll-over feature could be helpful. It could provide additional flexibility for staff and the District, especially in the month of December when a number of staff is scrambling to take their last hours/days of vacation in lieu of losing them. It also could provide the opportunity to have extra vacation for a special event or trip in a given year.

The General Manager presented a spreadsheet showing a comparison of the vacation policies of a number of peers in Pierce and King counties. The District was the only water purveyor that presently had no vacation rollover provision.

Board of Commissioners' Special Meeting Minutes

July 21, 2016

Page 2

The General Manager met individually with each Commissioner to discuss this matter with the general recommendation of the following:

Any full-time, regular employee must take a minimum of 80 hours of vacation a year (so only those employees accruing more than 80 hours a year will be eligible for vacation rollover); except for possible exceptions referenced in parameter #4 below.

1. At December 31 of any given year, an employee could roll over up to 120 hours (3 weeks) of vacation.
2. In December payroll of any given year, an employee may request in writing by December 1, a cash-out of vacation still in an employee's bank up to a maximum of 40 hours, with General Manager approval. On December 31, any vacation balance over 120 hours would be forfeited or may be carried over under certain extenuating circumstances if approved by the General Manager.
3. Under certain extenuating circumstances, employees with only 80 hours of accrued vacation may be allowed to carry over unused vacation hours only with the General Manager's approval.

After discussion with the Commissioners individually, and collectively at the meeting, the Board agreed to having the General Manager and staff draft a policy and respective resolution with the parameters of a maximum of 80 hours of available vacation rollover, a possible annual cash-out in December of up to 40 hours, and the requirement of an employee taking 80 hours of vacation in the calendar year before being eligible for rollover or cash-out. A draft policy and resolution will be presented to the Board at the August meeting.

BOARD APPROVAL TO WAIVE INTEREST ON 5-YEAR TSA FINANCING:

At the June 15 Regular Meeting, the Board approved the utilization of the financing program as outlined in RCW 57.08.005 and granted the General Manager authority to negotiate ≤15-year financing for connection charges at a rate of 4 percent interest.

At that same meeting, the Board approved a three-option approach to managing the District's Temporary Service Agreements, one of which was to offer financing of connection costs over a period of up to 15 years for those TSA-holders who chose to pay for the water connection now at today's dollars and receive the actual connection at the time the main is installed.

The General Manager recommended the District offer to its TSA-holding customers only, the first five years of financing at 0 percent interest as an incentive to TSA customers to pay for the connection now versus later. After discussion, Commissioner Rediske moved to offer financing at 0 percent interest for the first five years to TSA customers opting to pay now for their connection at today's dollars. Commissioner Korsmo seconded the motion, and it was passed by a unanimous vote.

GENERAL MANAGER PROJECT UPDATE:

The General Manager provided updates on the Wholesale Transmission Main Extension (WTME) and Ponders Well Site Projects, as well as the hazard tree removal

Board of Commissioners' Special Meeting Minutes

July 21, 2016

Page 3

process and the Cross Connection Control Inter-agency Agreement with the City of Lakewood.

Wholesale Transmission Main Extension. The District is looking into the possibility of utilizing a section of Tacoma Rail to install the pipe for the wholesale water main extension, located 100-120 feet from where the present Wholesale Transmission Main interties with Summit Water & Supply Co. This would avoid having to use County right-of-way; however, there would be a right-of-way fee or an annual easement fee for the rail and a permit fee of \$4-\$5 per square foot.

The District Superintendent and Consulting Engineer met with the Rail Master for Tacoma Rail on July 20 to travel from where the present Wholesale Transmission Main stops at Summit Water & Supply Co. to 176th and Canyon Road, which is very close to the rail line going into Fredrickson Industrial Park where the main could be brought in close proximity to where Rainer View Water would like to connect to the WTME once it's completed.

RH2 Engineering has been hired to study and determine the most feasible and cost-effective route for connecting to Rainer View, Spanaway Water Co. and, hopefully, Firgrove Mutual Water Co. The issues also include possibly expanding the District's current booster station and adding a second station to further raise the pressure to bring the water into Firgrove's system, which is the highest point amongst the wholesale partners.

The Tacoma Rail bed alignment might be suitable for some of the route or most of it. The issues include significant changes in topography and wet lands to mitigate, along with the costs of the right-of-way fees or annual easement fees. RH2 will complete their evaluation by the middle of September.

Ponders Well Site. The Interagency Agreement with Department of Ecology (DOE) has been fully executed, and District staff had the first meeting with the design team, Kennedy/Jenks, to review three treatment options. This included site visits to Spanaway and Tacoma to observe their treatment facilities. It appears the District's current air-stripping treatment method is the most effective in meeting the DOE-required levels, as well as being most cost-effective and efficient. However, O&M (Operations and Maintenance) costs will be examined and compared for all three options.

It is the District's plan to have the project "shovel-ready" before going to the legislature to request the remaining \$1M of the \$2.5M estimated project cost as requested during the last legislative budget session.

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 provided an update on the Seattle Avenue project with contractor R.L. Alia. The District was working through some challenges with the contractor, e.g., running out of pipe. Of 360 feet of needed pipe to

Board of Commissioners' Special Meeting Minutes

July 21, 2016

Page 4

place in the County's casing, the contractor only had 200 feet of pipe on hand after having months to be prepared during the delay caused by waiting for the water table to lower enough to be able to work in the casing.

On the Seismic Improvements project, contractor T. Bailey has agreed to hold their July 14, 2016 bid price on the alternate bid for improvements on the Steilacoom tank in exchange for a Letter of Intent to Award (the project to them). This alternate project was too large to take on in the 2016 Budget, so it was projected for 2017. The District is strongly favored to receive another \$1M grant from FEMA (Federal Emergency Management Agency), but FEMA monies will not be granted for a project that has already broken ground. The Board concurred with providing a Letter of Intent to Award for T. Bailey to give them assurances while the District awaits the funds from FEMA.

FINANCE DIRECTOR/OFFICE SUPERVISOR'S REPORT:

The District advertised the Senior Accounting Lead position for two weeks and received only eight applications, so the District extended the advertisement for an additional two weeks and received 20 additional applications. The District invited eight candidates for a first-round interview but ended up only interviewing five, as one never responded to the District's invitation and two accepted other employment offers. Four of those five were invited to participate in the second-round interview process currently underway. The General Manager had hopes of awarding the position the next afternoon after the conclusion of the interviews and debriefing with both the first- and second-round interview teams.

OTHER BUSINES:

Board Acknowledgement of Employee Wage Increase—The Board acknowledged an annual wage increase for W. Slemp.

Reschedule of September 15 Board of Commissioner Meeting—The General Manager recommended the September Regular Meeting be rescheduled in light of both him and Commissioner Rediske being on vacation that week. The September 15 Regular Meeting was rescheduled to a Special Meeting on September 29, 2016, beginning at 8:30 a.m.

Reimbursement from WASWD L&I Retro Program—The District, thru its membership in the Washington Association of Water & Sewer Districts, is eligible and has been participating in an L&I (Labor & Industries) retro program where reimbursement is received for good claim history. This year, the District received reimbursement in the amount of \$12,941.10.

Major Main Break in Glenwood—The General Manager informed the Board of a major water main break that occurred early Sunday morning, July 10, in the Glenwood area. The General Manager, Superintendent, Construction Department Head, Foreman, and two shifts of field staff responded to the break, working all day and through the night Sunday, getting the affected customers back in water early Monday morning. Due to development in the area, the main was approximately 22 feet below the surface, which necessitated calling in South Bay Excavating to do the digging beyond the capacity of

July 21
2016

Board of Commissioners' Special Meeting Minutes

August 25, 2016

Page 5

the District's mini-excavator. The cost for South Bay's work will be approximately \$10K, plus the District will need to replace one customer's driveway that got undermined during the repair because of the depth of the ditch needed to get to the main. The customers were very thankful and pleased with the work performed by LWD staff.

With no additional business to address, President Ghilarducci adjourned the meeting at 4:43 p.m.

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

ATTEST:



DISTRICT SECRETARY