

**LAKESWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
Thursday, August 21, 2014**

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:

District customer Ms. Mary Lee was present to ask for a credit on her September 2013 bill with unexplained, atypically high consumption. The Board asked for Ms. Lee to put her request in writing along with pertinent particulars to the attention of the General Manager. The General Manager will gather account history and present the situation to the Board at the September meeting if necessary. No account balance or portion thereof can be written off without justifiable explanation to the State Auditor's Office.

Neighbors from across the street from the District wanted to contest the District's leak adjustment policy in that the District only awards one leak adjustment in the life of any account. Since these neighbors had received a previous leak adjustment, they were not eligible for any subsequent leak adjustments.

APPROVAL OF MEETING MINUTES:

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

FINANCIAL INFORMATION:

The Finance Director presented the July financials to the Board.

Disbursements made from the General Ledger Fund for check number 32466 through 32659 totaling \$728,700.06, salary direct deposits totaling \$129,974.29, payroll taxes totaling \$50,036.88, and electronic payments totaling \$54,746.65, for a grand total of \$963,457.88 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.

RENEWAL OF DISTRICT PROPERTY AND LIABILITY INSURANCE:

The General Manager presented renewal figures for District property and liability coverage from present provider Philadelphia Insurance through broker D. DeLorenzo of Bannon, Carlson & Kessel and for coverage through Enduris. The Philadelphia renewal came in at \$88K, an 8.2 percent increase, in the midst of an industry trend of ≥ 10 percent. Enduris, a very solid and stable company with good reports from those it serves, came in at \$98,596, over \$10K more than Philadelphia. Mr. DeLorenzo and Philadelphia can offer such competitive figures due to the buying power of the Regional

Water Cooperative of Pierce County, with a number of the members covered by Philadelphia and Mr. DeLorenzo of Bannon, Carlson & Kessel. The General Manager recommended the Board elect to renew the District's property and liability coverage with Philadelphia through Mr. DeLorenzo of Bannon, Carlson & Kessel.

Commissioner Korsmo moved to renew the District's coverage with Philadelphia as presented and recommended, Commissioner Rediske seconded the motion, and it was passed by a unanimous vote.

ON-CALL 30-MINUTE RESPONSE RADIUS AND INCREASED COMPENSATION RECOMMENDATION:

The General Manager reminded the Board of the District's resolution to require field staff to live within a 30-minute response time of the District's service boundaries for the purpose of being on call. He explained that what once was a travel distance/time within bounds may be changing due to increased traffic for those staff who have to deal with Joint Base Lewis-McCord traffic. Staff that cannot meet the response criteria will need to stay at the District's Annex, but to make that practically livable for staff and their families, it will need a considerable amount of remodeling/improvement work.

The District's plan to equip the on-call staff with laptops, notebooks, or tablets to monitor and maintain tank levels and secure operations will greatly reduce needed travel to and from the District during non-business hours.

The Board concurred with maintaining and continuing the required 30-minute response time for on-call staff, to ensure proper service levels to customers in need of on-call assistance.

The General Manager reported the daily on-call pay for the general inconvenience of being on call had not been increased since 2005 when it was increased from \$20 to \$25. In light of a recent on-call study involving water utilities in Pierce and King Counties, he recommended it now be increased for "regular" on-call staff to \$35 effective September 1, 2014. Presently back-up on-call staff are assigned and paid the same \$25 a day for being available to assist regular on-call staff; this would also increase to \$35. For "advanced" on-call staff that do not require any back-up assistance from the Pumping or Construction & Maintenance Departments, the General Manager recommended paying \$50/day. This would save \$20/day over the \$70/day for regular and pumping backup on-call at the new, recommended rates. The criteria for qualifying as "advanced" on-call staff will be via a testing process.

Commissioner Rediske asked if this would put a burden on the budget in this area. The General Manager replied it would increase the budget initially, but with the increased use of laptops or tablets, that should balance out over time.

The on-call policy will be updated once laptops or tablets are in use and the District has had an opportunity to see how things can most efficiently covered and addressed.

Commissioner Rediske moved to increase the regular on-call daily pay to \$35/day and the advanced on-call daily pay to \$50/day effective September 1, 2014. Commissioner Korsmo seconded the motion, and it was passed by a unanimous vote.

GENERAL MANAGER AUTHORIZATION re. STAFF RETENTION COMPENSATION LEVELS:

Utilities all over the country are seeing an aging work force and a dearth of young talent darkening the doors. Not wanting to be a perpetual training ground for local water purveyors, utilities are finding themselves faced with trying to find seasoned and knowledgeable staff from other utilities, and also finding themselves faced with finding ways to retain their key staff members that might be sought after by another purveyor. To assist the General Manager in retaining key level staff that might be offered another position with another utility, he asked for the Board's authority to have a \$400 fund reserve to mitigate such situations. If any increase would go over the top of a given salary range, that would have to come to the Board for approval. The General Manager suggested that this staff retention fund would become part of the annual budget in the labor cost area and could be discussed in detail at the upcoming 2015 Budget Workshop in October. Additionally, the General Manager would keep the Board informed each time this retention fund was utilized.

Commissioner Korsmo moved to authorize the General Manager to utilize a \$400 staff retention reserve fund as presented above. Commissioner Rediske seconded the motion, and it was passed by a unanimous vote.

The General Manager recommended a salary increase for S. Bosma in the amount of \$340/month who had stepped into the role of Crew Leader/Equipment Operator until such time a replacement for the prior Crew Leader whose life was tragically lost earlier this month. Mr. Bosma may remain as Crew Leader/Equipment Operator or move on as the District's Construction Inspector, depending on the response received to the current employment opportunity ad.

The General Manager further recommended a salary increase for S. Rae, Foreman, in the amount of \$250 for taking on the additional responsibilities of Safety Officer and Fleet Manager. Mr. Rae had taken both situations in serious need of attention and turned them around into prospering, functioning areas for the District.

Commissioner Rediske moved to approve both salary increases, Commissioner Korsmo seconded the motion, and it was passed by a unanimous vote.

REQUEST FOR DOWNSIZING OF METERS:

The General Manager discussed with the Board the matter of establishing a District practice as it pertained to customer requests to downsize their meter in light of the new 50-year R&R Program fixed fee based on meter size. The District had received three

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requests from customers with 1-inch meters wishing to reduce them to 5/8-inch meters. These three requests were quickly mitigated by the \$777 charge to do the work versus the \$2.20 they would "save" every two months in the fixed R&R fee by meter size.

After discussion of the matter, the General Manager recommended the District, in general, would not downsize a meter without good cause, such as a down-sizing of a business, etc.; and such "good cause" would be brought to the General Manager and the Board for appropriate consideration and decision. There would be no GFC refunds granted. 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 that report, the Superintendent related the field staff was down two personnel, one due to the recent tragic loss of R. Daniels and also D. Farmer had taken a management position at Spanaway Water. No word had been received from the Pilipino Church regarding the District's best and final offer on the property adjacent to Scotts Well. The matter was still before officials in the Philippines.

FINANCE DIRECTOR/OFFICE SUPERVISOR'S REPORT:

The Finance Director reported new water service connection charges and General Facilities Charges were under review and would be presented to the Board at a September meeting.

OTHER BUSINESS:

Board Acknowledgement of Employee Wage Increase—the Board acknowledged an increase for employee B. Brooks.

Possible Dates for Budget Workshop, Open Government Training for Management and the Board, and Key Bank "Bonds 101"—the General Manager asked for workable dates and times for these components and asked if the Board wanted to do all three at once or separately. The Board unanimously voted to hold the Budget Workshop separate from the other two entities and offered Tuesday or Wednesday mornings as preferable/most convenient.

Reschedule of September 18 Regular Meeting due to WASWD and WFOA conferences—the General Manager asked if any of the Commissioners wished to attend the upcoming Fall Conference of the Washington Association of Sewer and Water Districts. None were able to attend. The annual Washington Finance Officers' Association Conference is also that week, so the General Manager asked for a date to reschedule the monthly September Board meeting. It was agreed that Commissioners Ghilarducci and Korsmo could meet one week out on September 25, but Commissioner Rediske may be unable to attend.

With no additional business to address, President Ghilarducci adjourned the meeting at 5:10 p.m.

LAKWOOD WATER DISTRICT

BOARD OF COMMISSIONERS

BY:



ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

ATTEST:



DISTRICT SECRETARY