

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
Thursday, August 17, 2017**

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. and G. J. Rediske; General Manager R. Black; Finance Director D. Logan; District Secretary C. Butler; and commissioner candidate G. Barton. The Board officially excused Commissioner Korsmo, as he was out of town and unable to attend the meeting.

PUBLIC COMMENT:

President Ghilarducci asked Mr. Barton if he wished to make public comment; he replied he was simply there to listen and learn.

APPROVAL OF MEETING MINUTES:

Commissioner Rediske moved to approve the minutes of the July 27 Special Meeting as amended. Commissioner Ghilarducci 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 37149 through 37251 totaling \$658,866.96, salary direct deposits totaling \$133,902.17, payroll taxes totaling \$56,399.36, and other electronic payments totaling \$95,614.12, for a grand total of \$944,782.61 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.

BOARD CONDITIONAL ACCEPTANCE OF SYLVAN PARK PHASE 2 R&R PROJECT:

A memo from the Superintendent was presented to the Board recommending and requesting conditional acceptance of the Sylvan Park R&R Project Phase 2. Contractor Johnson & Maddox had completed the project and met the District's expectations in the work they performed. This conditional acceptance will flow through to final acceptance of the project pending the final release requirements being met per the contract specifications. Commissioner Rediske moved to conditionally accept the completion of this project. Commissioner Ghilarducci seconded the motion, and it was passed by a unanimous vote.

DISTRICT LIABILITY PROPERTY INSURANCE RENEWAL SEPTEMBER 1:

The Board was presented with a summary of the highlights of the District's proposed 2017-2018 property and liability insurance renewal with Philadelphia Insurance as compiled by District broker, D. DeLorenzo of the Leavitt Group. Renewal premiums

Board of Commissioners Regular Meeting Minutes

August 17, 2017

Page 2

were presented at a decrease of \$12,335. Mr. DeLorenzo reported this was due to the District's strong Risk Management practices and the great loss ratio of the Regional Water Cooperative of Pierce County. The General Manager recommended the Board approve the September 1 renewal coverage as presented. Commissioner Rediske moved to approve the 2017-2018 property and liability insurance renewal. Commissioner Ghilarducci seconded the motion, and it was passed by a unanimous vote.

INTERLOCAL AGREEMENT with CITY of LAKEWOOD re. CROSS CONNECTION CONTROL PROGRAM:

The General Manager reported he attended the City Council's August 14 Work Study Session to answer any questions the Council might have regarding the City's recommendation for the District to continue to administer the in-premise Cross Connection Control Program.

District legal counsel J. Milne recommended two changes be made to the Interlocal Agreement previously approved by the Board. The first was requiring a 90-day written notice by either party to terminate the agreement after the first five years, versus the City's 15-day notice. Second, was increasing the annual fee beyond the yearly cost-of-living increase (based on both Seattle-Tacoma-Bremerton Consumer Price Indexes) if the number of backflow devices increased by more than 20 percent over 1500 in any given calendar year.

As part of this arrangement, the City is taking responsibility for identifying where backflow devices are needed by conducting a "windshield" survey of the businesses in the city. This is due to years of City permits for remodels, additions, and/or change of business not being shared with the District for the purpose of assuring proper and adequate backflow protection. The City has provided a list of all permits generated over the last five years for remodels, additions, and/or changes in business. The District's Water Quality and Cross Connection Control Specialist is cross-checking this list with the District's backflow device records.

It is anticipated this matter will move to a consent agenda for the Council's August 28 meeting. The District will need to subsequently modify its Cross Connection Control Policies and Procedures and resolution in the weeks and months ahead. Additionally, permit fees will need to be re-examined and possibly modified, and a Plan Review fee will need to be determined. The District will be reviewing plans and calling out plumbing fixtures or identified cross connections to non-potable water that will require backflow devices installed by the owner. Through the permit and planning fees, the District will recover the cost of plan review, device inspection, and administrative work.

PLANS FOR AMPHITHEATER AT FT. STEILACOOM PARK:

The General Manager reported he had met the previous day with representatives from the City of Lakewood and the Lakewood Rotary Club who are partnering on an

Board of Commissioners Regular Meeting Minutes

August 17, 2017

Page 3

amphitheater project for Ft. Steilacoom Park (as reported by Commissioner Korsmo at the June 29 Special Meeting) to discuss the water needs and possible options. It became evident that the vision for this project is somewhat fluid with various pieces/ideas, so the General Manager encouraged them to hew out the entire plan before they discuss the water needs, so they can do things well, once.

One possible option to buy down the cost of the water main could be water rights. There is a well on the park property, and that property is to be deeded to the City by DNR (Department of Natural Resources) after the next legislative session. It is presently unknown how many acre feet of water would come with the well. The District's facilities at View Road, Oakbrook, and Angle Lane are central to the well, so the acquisition of those water rights may serve as mitigation for the water main. As another mitigation option, perhaps vendors would be willing to offer discounts or otherwise lower the cost of materials for the necessary main/water connection.

WHOLESALE WATER:

The General Manager reported the wholesale partners had consented to move forward with permitting for areas that will be involved whether Spanaway Water participates or not. He shared with the Board some possible routes for the Wholesale Transmission Main Extension for both scenarios.

According to reports the District has received, Tacoma offered "market pricing" to Spanaway, but there is no guarantee the water will be there in 20 years; and they would have to take the water every day. The District has been invited to address Spanaway's Board at their September 21 meeting. This will necessitate moving the District's Board meeting to another day in September. The General Manager invited any or all Commissioners to come to the Spanaway Board meeting.

In summary, it looked like Firgrove was going to take 2 million gallons a day (mgd) and Rainier View was going to take 1.5 mgd. Summit is presently at 1.5 mgd but recently tested their system at 2 mgd, and it handled the quantity very well. [NOTE: This amount was reported at the meeting as 3 mgd; subsequent to the meeting, the General Manager was informed it was actually 2 mgd.]

GENERAL MANAGER REPORT UPDATES:

Ponders Well Site—The District's lobbyist is endeavoring to set up a meeting with the District with both sides of the legislature to see if they can bridge the \$1.8M vs \$500K gap. It was further suggested to get with Congressman Heck to see if there is any federal money available.

SUPERINTENDENT'S REPORT:

The Superintendent's Report was provided to the Board in its entirety in the pre-agenda packets. The Superintendent had nothing supplemental to report.

Board of Commissioners Regular Meeting Minutes

August 17, 2017

Page 4

FINANCE DIRECTOR/OFFICE SUPERVISOR'S REPORT:

The District's new Senior Accounting Lead has been at the District 60 days and doing very well. The new Accounting Specialist I is picking things up quickly and doing well also.

OTHER BUSINESS:

Budget Workshop, BOC Meeting Dates—

September 28 was tentatively set at the date for the Board's September meeting, pending checking with Commissioner Korsmo once he returns. October 2-5 are the only viable days for a Budget Workshop to be able to have all three Commissioners attend. The General Manager's Executive Assistant and Secretary to the Board will coordinate schedules and get this date/time set.

Customer Portal—

Commissioner Rediske inquired as to how many customers are using the Customer Portal through the AMI system to monitor their accounts, etc. There are 220 customers signed up to use the portal, and about half are active.

PUBLIC COMMENT:

When asked if he had any public comment, G. Barton asked for a brief summary of the District's history on the subject of fluoride. President Ghilarducci stated there was no brief summary to be given, and the General Manager said he would discuss the matter with Mr. Barton after the meeting.

With no additional business to address, President Ghilarducci adjourned the meeting at 4:35 p.m.

**LAKESWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



ITS PRESIDENT

BY:



ITS SECRETARY

BY:



ITS VICE PRESIDENT

ATTEST:

DISTRICT SECRETARY