

**LAKWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS  
Minutes of Special Meeting  
Thursday, September 22, 2017**

The Special Meeting was called to order at 2 p.m. at the District office. Present at the meeting: Commissioners L. R. Ghilarducci, Jr. and G. J. Rediske; General Manager R. Black; Superintendent I. Black; Finance Director D. Logan; District Secretary C. Butler; and commissioner candidate G. Barton. The Board officially excused Commissioner Korsmo who was out of the country and unable to attend.

**PUBLIC COMMENT:**

Mr. Barton asked for a summary of a District meter issue and estimated customer bills, and Superintendent I. Black briefed him on the matter.

**APPROVAL OF MEETING MINUTES:**

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

**FINANCIAL INFORMATION:**

The Finance Director presented the August financials to the Board.

Disbursements made from the General Ledger Fund for check number 37252 through 37414 totaling \$1,174,838.15, payroll taxes totaling \$57,408.49, salary direct deposits totaling \$137,442.88, and other electronic payments totaling \$103,288.68, for a grand total of \$1,472,778.20 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.

**2018 BUDGET UPDATE:**

The General Manager provided a brief report regarding where the District was in the 2017 Budget and how certain things that have occurred in 2017 will have an impact on the 2018 Budget. One such matter has been the present, booming economy which has led to greatly increased development. This has caused the District to look at project timing, wanting to get as many jobs ready to bid before construction prices increase more. This has also required more staff time than usual or anticipated, resulting in not enough manhours to meet these requirements and get to the maintenance work budgeted for 2017.

Another potential impact on the 2018 Budget will be an analysis of the District's sources (wells) and the long-term viability of water rights. Additional "unknowns" putting pressure on the 2018 Budget and a corresponding rate increase include the construction of the Wholesale Transmission Main Extension, the replacement of facilities at Ponders Wells Site, and the possible privatization of JBLM's water system.

**Board of Commissioner Special Meeting Minutes**

**September 22, 2017**

**Page 2**

**GENERAL MANAGER PROJECT UPDATES:**

**In-premise Cross Connection Control Program**—the District received a signed Interlocal Agreement from the City of Lakewood. Next steps include putting together an MOU (Memo of Understanding) to outline the process, establishing a plan review fee, and assessing permit fees; along with revising the District's Cross Connection Control Program policy and resolution. The General Manager projected the revised program would have an effective date of January 1 at the latest.

**Wholesale Transmission Main Extension**—Wholesale water contract amendments were sent to wholesale partners Summit Water & Supply Co., Rainier View Water Co., and Spanaway Water Co.; and a new contract was forwarded to Firgrove Mutual Water Co.

The District made a presentation to Spanaway's board the previous evening, September 21. The Board is expected to make a decision whether to contract with the District or Tacoma Water for wholesale water by early October. Costs for construction of the water main extension would decrease for Rainier View and Firgrove if the line does not have to go out to Spanaway. RH2 Engineers continues to work on the design work of the beginning and ending pieces of the yet-to-be-completed route.

**Town of Steilacoom**—the District has been reviewing the Executive Summary of the analysis completed by Murraysmith regarding how much of the District's system is involved in actually serving the Town versus what is recorded in the contract. The District plans to send the report to the Town after review by legal counsel; subsequently, a meeting will be arranged to discuss the matter with the Town and answer any questions they have.

**Ponders Well Site**—Representative Kilduff talked with Representative Steve Tharinger about this matter. He is supportive of the project and getting the funds to the District and does not think it will difficult to get the House and the Senate on the same page on the dollar amount in the next legislative session.

In the meantime, the District and Kennedy/Jenks engineers continue to examine ways to reduce the cost overruns, such as building a modular pumphouse versus a built-in-place structure at a savings of approximately \$200K. The modular units, while significantly less expensive, would still have all the equipment and features of a built-in-place construction. District staff had recently taken a tour of several modular pump facilities nearby and found them to be impressive. All comments from the operators regarding the facilities' design and operation were positive.

**City of Lakewood Hazardous Trees**—There was nothing new to report on this project.

**SURPLUS ITEMS:**

A list of District operations and maintenance equipment and office furniture and small equipment was presented to the Board with a recommendation and request for the items to be declared as surplus. The items on the list were either not working, irreparable, or obsolete/no longer used. If declared surplus, the District would be able

**Board of Commissioner Special Meeting Minutes**

**September 22, 2017**

**Page 3**

to take the items to the State Department of Enterprise that would sell the items on the District's behalf. Commissioner Rediske moved to declare the items as surplus. Commissioner Ghilarducci seconded the motion, and it was passed by a unanimous vote.

**SUPERINTENDENT'S REPORT:**

The Superintendent's Report was provided to the Board in its entirety in the pre-agenda packets. Subsequently, he reported the District had over 400 locates in a month, from a number of 160 in the past. These increases are due in large part to the increased construction, as well as having to locate every real estate sign and having to perform locates on the same location seven or eight times per the 811 Dig Law.

Murraysmith is in the process of starting the design process for a three- or four-phase R&R project on Lake Steilacoom Drive from 104<sup>th</sup> to 112<sup>th</sup> and tying in to Tower Road. There are a lot of smaller mains in this area and the rest of the area around the neighboring lakes, so the District has returned its R&R focus to these areas. The District had directed its focus to areas most likely to have leaded goose-necks in light of the Governor's directive to get all lead out of the ground by 2027, but no leaded goosenecks were found. The increased size main in the areas around the lakes will significantly increase fire flow to and for these areas.

**FINANCE DIRECTOR/OFFICE SUPERVISOR'S REPORT:**

The Finance Director reported auditors from the State Auditor's Office would be arriving the first week of October to conduct the District's 2016 Audit.

Mr. Logan also gave a brief report on the 2017 WFOA (Washington Finance Officers Association) Conference held in Kennewick September 13-15. Senior Accounting Lead P. Mendoza and Customer Service Representative I A. Dickens attended the conference for the first time and found it very informative and worthwhile. Mr. Logan thanked the Board for the opportunity to attend.

**OTHER BUSINESS:**

**Temporary Service Connection to Western State Hospital**—The District received an electronic PO (Purchase Order) from Western State Hospital for a water connection, temporary for now. They know going to a permanent connection would include a GFC (General Facilities Charge). This may be mitigated by the District exchanging the permanent connection fee and GFC for water rights.

DNR (Department of Natural Resources) and DSHS (Department of Social and Health Services) will be meeting with the City of Lakewood regarding the deeding of the Ft. Steilacoom Park property to the City in the course of the present legislative session. DNR is the steward of the land for both the park and the hospital; DSHS is the agency that supervises the mental health facility for the hospital.

There is a record that indicates an old ground-water spring exists near the hospital that previously belonged to the U.S. Army. There are three water rights and two wells, one

**Board of Commissioner Special Meeting Minutes**

**September 22, 2017**

**Page 4**

800 gallons per minute (gpm) and one 900 gpm. One well is located on the hospital grounds, and one well is located on the Ft. Steilacoom Park grounds.

A temporary water connection is limited to 90 days. The State Department of Health may grant an extension, but the General Manager had not known of one being granted in the 32+ years he's been at the District. The General Manager will keep the Board apprised on the matter as things progress.

**Board Acknowledgement of Employee Wage Increases**—The Board acknowledged annual wage increases for employees C. Bledsoe and A. Dickens.

**Budget Workshop and October Meeting Reminders**—The Budget Workshop will be held Tuesday, October 3, beginning at 8:30 a.m. The October 19 Regular Meeting had been rescheduled as a Special Meeting on October 26, beginning at 8:30 a.m.

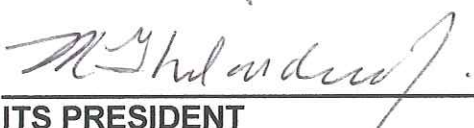
**PUBLIC COMMENT:**

Mr. Barton asked the Commissioners how long they had served on the Board. President Ghilarducci has served 35 years, Vice President Korsmo has served 12 years, and Secretary Rediske has served almost five years.

With no additional business to address, President Ghilarducci adjourned the meeting at 3 p.m.

**LAKWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS**

**BY:**

  
\_\_\_\_\_  
**ITS PRESIDENT**

**BY:**

  
\_\_\_\_\_  
**ITS VICE PRESIDENT**

**BY:**

  
\_\_\_\_\_  
**ITS SECRETARY**

**ATTEST:**

  
\_\_\_\_\_  
**DISTRICT SECRETARY**