



**LAKESWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
April 20, 2023
Boardroom & Via Microsoft Teams**

1. CALL MEETING TO ORDER

President Korsmo called the Regular Meeting to order at 3:35 PM.

**Technical difficulty (no sound on Teams) 3:35 PM – 3:41 PM.*

2. ATTENDANCE

Present at the meeting: Commissioners J. Korsmo, G. Rediske, and G. Barton; General Manager R. Black, Operations Manager I. Black, Engineering Manager M. Meyer, Finance Manager P. Mendoza, IT Manager C. Fast, Administrative Assistant J. Clark. Guests: Jeff Kray and Jessica Ferrell (Martin Law)

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION - PENDING/POTENTIAL LITIGATION PURSUANT TO RCW 42.30.110(1)(I)

Commissioner Korsmo called Executive Session to order at 3:40 PM and moved to close the Executive Session at 4:01 PM. No action was taken.

5. APPROVAL OF MEETING MINUTES FROM 3/16/23 REGULAR MEETING.

COMMISSIONER REDISKE MOVED TO APPROVE THE MARCH 16, 2023, SPECIAL MEETING, SECOND BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

6. FINANCIAL INFORMATION

Philip Mendoza, Finance Manager, presented the March 2023 financials to the Board. He shared that *retail sales* in March 2023 were 5.31% higher than budgeted and 6.81% higher YTD. *Wholesale water sales* are 3% lower than projected and 2.18% lower YTD, Summit 1.5 MGD, Firgrove 2 MGD, Washington Water 1.5 MGD, Spanaway 1.0 MGD. *Operating revenue* is 0.5% lower than budgeted and 1.8% lower YTD. *Pumping operations* is 20.2% lower than budget and 10.5% under budget YTD; *Water Treatment operations* are 51.8% under budget and 35.4% under budget YTD. *Transmission and Distribution operations* is 27.8% under budget and 25.1% under budget YTD. *Total operating expense* is 24.2% under budget and 15.9% under budget YTD. Maintenance Expense 23% higher than budget and 7.6% higher budget YTD (Water main break).

a. Approval of Payables

Disbursements made from the General Ledger Fund for checks number 45765 through 45887 totaling \$793,051.13, salary direct deposits totaling \$320,260.86, payroll taxes

totaling \$120,685.60, and other electronic payments totaling \$391,237.97 for a total of \$1,625,235.56 were presented to the Board for approval.

COMMISSIONER REDISKE MOVED TO APPROVE THE PAYABLES AS LISTED. COMMISSIONER BARTON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

7. GENERAL MANAGERS REPORT

Randall Black, General Manager, provided the following updates:

Western State Hospital – Larry Covey, Chief Office of Capital Programs DSHS, stopped by to meet with General Manager Black to discuss the requirements from LWD. One of the items discussed was LWD being responsible for the contract for the conditional assessment. DSHS would like to control the contract but would give LWD authority to work directly with the contractor and ensure the work is correctly done. General Manager Black shared that this would save time and money if LWD worked directly with the contractor. DSHS would create the contract and pay the contractor. The District is fine with this as long as we do get to have a say with the conditional assessment contractor.

Mr. Covey asked to know more about the potential credit that comes with the value of the land and water rights. General Manager Black shared a variety of options that can be considered with the potential credits. Mr. Covey liked the suggestions and shared DSHS would like to move forward and keep it simple. We are concerned with the design plans we received from KPPF; the original plan was for three buildings, and now there are seventeen; this shows the lack of communication challenges we are facing. Mr. Covey said if there are any communication challenges moving forward, let him know, and he will make sure things are corrected.

An agreement will be put together shortly, and potentially the contract will be ready for approval around July.

Commissioner Barton inquired if there are still two contracts. General Manager Black said there would be one contract with two phases. The first phase would be administrative and new construction, and the second phase would be the remaining items. They agreed to an 18-month timeline. DSHS submits its budget in mid-August. Operations Manager Black will be the point person for the construction side of this project. There will be a lot of catching up to ensure everything is going properly.

Commissioner Barton wants to ensure that we are not using District water. General Manager Black shared that we would not be using LWD water. We would use their water rights for the water. If DSHS comes along another 20 years and wants to build more, they would have to provide more water rights for the additional water usage.

Federal Infrastructure Funds

We have reached out to the 28th & 29th District Legislatures to let them know we need support from them to help get the DCCA funding. Commissioner Barton has also reached out to the legislatures. The DCCA \$3.8M funding is tied to the federal money we already have that requires matching funds.

Rep. Leavitt is working through the DCCA funding or Toxic Clean Up funds through DOE.

We received notice from Congresswoman Strickland's office that our \$5M project was one of the fifteen she supports for Community Grant Funding. It is still early in the process, and we will not hear a definitive answer until later in the year. If selected, the funds would be available in 2024.

The Executive Director for L&I ruled against the hearing examiner, who ruled in favor of L&I paying plumber wages to laborers. Now, the laborers will be paid at labor rates, not plumber rates. This will save the District 7%-10% (\$700K a year) at the new correct wage.

HB1621 was approved to increase the in-house public works amount from \$50k to \$150k per project. WASWD did a great job championing this bill.

8. OPERATIONS REPORT

Ian Black, Operations Manager, shared that he is working on designing four 2024 projects to prepare for next year's R&R projects. We are over halfway through the 2023 R&R projects. In June, the Front St project will start. We are working in conjunction with the City, and they split the Hipkins project up; originally, it was in conjunction with the Dresden/Elwood project. That project has been moved up to install the new roundabout before SummerFest in July.

a. REQUEST FOR CONDITIONAL ACCEPTANCE FOR THE LAKE STEILACOOM DRIVE SW PHASE 2: JOB (799).

HCON did a great job on this project. HCON, Inc has completed all the work required under the specifications and reached substantial completion on March 20, 2023, with final project completion on March 31, 2023. Some warranty work with the paver still needs to be completed.

MOTION OF CONDITIONAL ACCEPTANCE FOR THE LAKE STEILACOOM DRIVE SW PHASE 2, JOB 0799 BY COMMISSIONER KORSMO, SECONDED BY COMMISSIONER REDISKE. MOTION PASSED UNANIMOUSLY.

Commissioner Barton wanted to share that he had a pleasant encounter with Kevin Wycoff and wanted to share he was very friendly, courteous, and professional. He was also impressed by Kevin's awareness that he knew that it was a Commission day.

9. ENGINEERING MANAGER'S REPORT

Marshall Meyer, Engineering Manager, shared that total demand is approximately 11 mgd, including around 5 mgd for wholesale partners. He updated the Commissioners on the mechanical issues and repairs.

We are working on the wells with the direct appropriations funding from Senator Murray's office. The G-4 & K-3 Wells designs are completed. We needed to go out for RFP for Hydrogeologist, and Burt Clothier with Mott MacDonald was selected. They will work through the construction phase/drilling work.

Engineering Manager Meyer shared that he plans to present updated strategies at next month's meeting regarding the new EPA guidelines and provide written and formal comments. The timeline for implementing the rule is where we will have the most success in pushing back. The levels of 4ppt are coming from the White House, we most likely will not be able to change the lower threshold, but hopefully, we will be able to make a strong suggestion that the timeline doesn't work. This timeline is setting the country's water system for failure.

Commissioner Rediske asked if we were in the middle of the summer would 67% be enough water? Engineering Manager Meyer shared that it would not be enough, but there are wells in the process of being fixed, and we planned to have them offline during the slower season in order to be ready for the summer. The new PFAS rules are so much lower, basically a third, and impact double the number of wells. It would be much more challenging if we did not start a year ago.

Commissioner Barton attended a WASWD and DOH meeting regarding the lead service inventory survey. He asked if we were still planning on using the statistical approach to have more time to complete it and save costs, and that DOH shared they have yet to approve the statistical approach. Engineering Manager Meyer shared we need to submit our proposed approach to DOH for approval. We need to review all of our literature, the age of structures from Pierce County, and when our service lines were installed. He shared that two-thirds of our service lines were installed before lead was banned, and two-thirds of service lines were on both the public and private sides. We have about a year and a half to complete the survey and are working on all the items. General Manager Black shared that he has heard from DOH that it will be left up to the utility on how they do it.

10. IT MANAGER REPORT

The Cyber Security test resulted in one employee clicking on the test email. They have completed cyber security training.

Weekly training continues with field staff to ensure they are comfortable with Elements and have a solid foundation for using the application. This meeting has evolved into a tech talk session between field staff and IT/GIS. Managers also attend the training to ensure there are no mixed messages.

Cell towers update:

Three of the four Dish contracts have been completed. Once the PCS lease expires from the Farwest Tower, Dish will take its place.

a. BOARD APPROVAL OF SURPLUS/DISPOSAL/ECYLE ITEMS

IT Manager Fast shared the items for surplus/disposal with the Commissioners.

MOTION TO APPROVE THE SURPLUS/DISPOSAL/ECYLE ITEMS BY COMMISSIONER REDISKE, SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

11. Other Business:

- a. The Board acknowledged the wage increase this month.

- a. General Manager updates – HR Manager Levo has presented to each of the Commissioners an update from the logo & mission statement committee and wanted to ensure the committee is on the right track. Commissioners Korsmo and Commissioner Rediske stated they feel they are and like what they have completed. Commissioner Barton declined to comment. Commissioner Korsmo asked if there would be a presentation at the May meeting. General Manager Black confirmed there would be a presentation.

- b. Newsletter Responsibility

- Commissioner Barton inquired about who writes the newsletter articles and who is responsible for writing the Commissioner's letter. General Manager shared that the Commission President is the primary; if he is unavailable, it will go to the Vice President. If he is not available, it will go to the Commission secretary.

- Commissioners Korsmo and Commissioner Rediske would like additional direction and topics from staff when asked to write the letters. Staff agreed they would make sure to provide a list of topics.

- Commissioner Barton shared he is available if ever needed to write the letter.

- c. City Council and Commissioner meeting on June 26, 2023, from 5:45 PM-7:00 PM at City of Lakewood City Hall.
 - d. Approval to move June 15, 2023 to June 22, 2023 due to the AWWA Ace conference. The Commissioners approved the date change.

- Commissioner Barton provided a brief update on the WASWD Legislative Committee. He would like to thank WASWD for their hard work on the L&I decision to change from plumber to labor rates. They also worked hard on HB1621, increasing the in-house public works project threshold from \$50k to \$150k to match the city's limits.

- The bio-solids bill did not pass. It will likely be back at the next session. Commissioner Barton said he would like to convene a special committee with water and sewer districts to work on the bio-solids bill before the next session.

- Operations Manager Black shared that Tucci and Son shared the prevailing wage issue with the plumber pay for laborers. LWD reached out to WASWD about the situation, and they did a great job advocating to fix it and have it corrected.

- e. Our next Commissioner's meeting will be on May 18, 2023, at 3:30 PM.

12. PUBLIC COMMENT

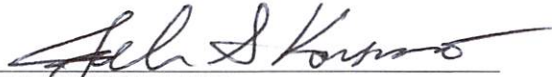
None.

13. ADJOURN

President Korsmo adjourned the meeting at 5:09 PM.

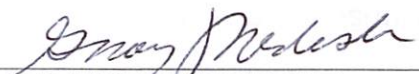
**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



ITS PRESIDENT

BY:



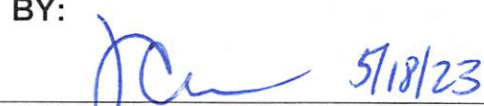
ITS VICE PRESIDENT

BY:



ITS SECRETARY

BY:



DISTRICT SECRETARY (DATE)