



**LAKEWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
November 16, 2023
Boardroom & Via Microsoft Teams**

1. CALL MEETING TO ORDER

President Korsmo called the Regular Meeting to order at 3:30 PM.

2. ATTENDANCE

Present at the meeting: Commissioners J. Korsmo, G. Rediske, and G. Barton; General Manager R. Black, Engineering Manager M. Meyer, Operations & Maintenance Manager J. Dean, Finance Manager P. Mendoza, Office Manager T. MacDougall, IT Manager C. Fast, HR Manager B. Levo, and Administrative Assistant J. Clark.

3. PUBLIC COMMENT

Ned Lever shared he was attending as observer.

4. APPROVAL OF MEETING MINUTES FROM 10/10/23, 10/19/23, 11/1/23, 11/8/23 MEETINGS.

COMMISSIONER BARTON MOVED TO APPROVE THE SPECIAL MEETINGS OCTOBER 10, 2023, NOVEMBER 1, 2023 AND NOVEMBER 8, 2023; REGULAR MEETING OCTOBER 19, 2023, SECOND BY COMMISSIONER REDISKE. MOTION PASSED UNANIMOUSLY.

5. FINANCIAL INFORMATION

Marshall Meyer, Engineering Manager, presented the October 2023 financial to the Board.

- *Retail sales* Currently we are 2.89% higher than budgeted for the month and 8.86% higher YTD.
- *Operating revenue* is 5.36% higher than budgeted for the month and 6.54% higher YTD.
- *Pumping Operations* is 41.39% higher than budget for the month and 5.21% lower than budget YTD.
- *Water Treatment operations* is 1.87% under budget for the month and 19.33% under budget YTD.
- *Transmission and Distribution operations* is 36.29% under than budget for the month and 15.73% under budget YTD.
- *Total operating expense* is 5.49% under budget for the month and 6.32% lower than budget YTD.
- *Net Operating Revenue* is 13.95% higher than budgeted for the month and 25.39% higher YTD.

a. Approval of Payables

Disbursements made from the General Ledger Fund for checks number 46988 through 47101 totaling \$973,864.65, salary direct deposits totaling \$206,777.21, payroll taxes totaling \$76,381.30, and other electronic payments totaling \$385,758.60 for a total of \$1,642,781.76 were presented to the Board for approval.

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

6. 2024 DRAFT BUDGET PRESENTATION

General Manager Black shared this year's theme is "Serving Healthy Communities through Responsible Water Practices." He reviewed draft profit and loss statements, the five-year rate forecast, cash flow, and Engineering Manager Meyer reviewed the 2024 capital, and the projected five-year capital forecast.

General Manager Black shared the five-year rate forecasts options.

Option 1 – 8% for 2024-2025 with projected reduction afterwards

- No new borrowing projected until 2026 which will be for PFAS projects (rate modeling used the DWSRF for this borrowing as part of the projection)
- 2028 Average Bill @ \$79.99

Option 2 – 8.4% in 2024 (same for 2025 onward from option 1)

- Strongest ending cash balance for 2028 @ \$9.13 million
- 2028 Average Bill @ \$80.16
- Most expensive rates among the options for the first 3 years – 2024-2026

Option 3 – 8% across 5-years projected rates.

- Second strongest ending cash balance for 2028 @ \$9.07 million
- 2028 Average Bill @ \$80.33
- Most expensive rates for the last 2 years projected – 2027-2028
- Most spread-out increases and more equitable across years

After reviewing the different options, the Board agreed to option 1.

HR Manager Levo provided the final rate updates for the District benefits for 2024. Regence increase of 4.5%, Delta Dental increase of 3.5% and Principal increase of 4.7%.

General Manager Black asked the Board if they would consider changing the medical/dental from 90% employer coverage to 100% employer coverage to keep the District competitive. After discussion, the Board agreed to add that option to the final budget.

The final budget will be presented at the December 21, 2023, Board meeting.

7. APPROVAL OF RESOLUTION AMENDMENT B-1410 SERVICE CONNECTION FEES AND CHARGES

General Manager Black recapped the updated Resolution B-1410 Exhibit A Plan Review Fees.

MOTION TO APPROVE RESOLUTION AMENDMENT B-1410 SERVICE CONNECTION FEES AND CHARGES BY COMMISSIONER REDISKE. SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

8. GENERAL MANAGERS REPORT

Randall Black, General Manager shared that the past 29 years and six months have been a privilege and honor to do his job for the citizens, ratepayers, wholesale partners, the Board, and staff. He thanked the Commissioners for their support, feedback and the challenges and the questions that helped make him a better General Manager.

General Manager Black shared an update on the status of Western State Hospital. He hasn't heard back from DSHS on the letter sent last week. He reached out to DOH and hopes that he will hear back in the next day or two.

General Manager Black and Engineering Manager Meyer had a meeting with the City of Lakewood (City Manager Caulfield and Community Development Director Dave Bugher) about the project and the city supports the District in our position.

Rep. Mari Leavitt responded to the letter to the Secretary of DSHS and requested that the General Manager be included in all communications moving forward.

9. OPERATIONS & MAINTENANCE REPORT

James Dean, Operations & Maintenance Manager, shared the Fire Department has shared their fire hydrant testing report and we are starting to do the repairs. The meter box checks are 95% complete. The valve operation program has completed 2,200 valves this year. 2024 Flushing season is currently being planned.

The Front Street project is moving along, just not at the pace we would like it to go. The water main has been installed and we are waiting for the contractor to finish a few things up so we can do pressure tests and impurities testing done. The goal is to be done after Thanksgiving.

10. ENGINEERING MANAGER'S REPORT

Marshall Meyer, Engineering Manager, shared that water usage is down from summer totals of 22 mgd to around 10 mgd and half of that includes the wholesale water of 4.5 mgd-5 mgd. One well motor has gone out, supply capacity went down from 86% to 82% but is still adequate. During the slower season, Zac S. is looking at the cost efficiency of running wells at different times and will be monitoring through December to see if we can afford to rest things more often and see if it can save cost.

The District is still waiting for the Steilacoom Blvd. Tank generator (the last of the generators) it is estimated to arrive by the end of the year. Country Place and 88th & Pine GAC facilities are currently being designed.

Staff continue to log observed service line materials in our database and work on an interactive map tool that will ultimately be available to the public to find out what their service line material is. This is a requirement of the Lead and Copper Rule Revision. We anticipate a more significant effort in 2024 to complete the service line inventory required by EPA. This effort is included in our proposed budget for 2024.

Commissioner Korsmo asked if there are enough drilling contractors to do the work next year? Have we let them know about the upcoming projects and make sure they have capacity for our

projects. Engineering Manager Meyer shared that we are opening up the well construction type from cable tool method to rotary mud tooling method. There are more contractors available with this additional method.

11. IT MANAGER’S REPORT

IT Manager Fast shared there was only one Spam testing issue, and the staff member has received training. Dish Network has paid 4 of 5 payments in full, the last one is still under construction in Oakbrook. Dish would also like to have a spot on the Bridgeport tank.

12. HR MANAGER’S REPORT

HR Manager Levo shared that we have received three applications for the Engineering Manager position, and she is screening all the applicants to see if they qualify for the next round. She will update the Board at the December meeting on the status of the position.

13. Other Business:

- a. The Board acknowledged the wage increase this month. *None this month.*

General Manger shared the District is working on decommissioning of the well at the Nyanza property and he is working with the city on the purchase of the Nyanza vacant property for \$1.00.

b. Commissioner Barton provided a brief update on the WASWD Legislative Committee. Commissioner Barton shared that he attended the Government Relations Committee where they discussed the upcoming legislative session January 8, 2024-March 7, 2024. The Public Works Trust fund is looking good, WA State revenue is strong so the PWTF should be safe. No major discussions on water resources, it will be addressed in 2025. Senator Jeff Wilson is pushing the Bio-Solid bill that failed last session. Rep. Leavitt is in support of the bill. WASWD is forming a committee with both sewer and water agencies to represent on the Bio-Solids committee; Commissioner Barton will be on the committee.

The In-House PW Bill is being challenged by Union workers and it is believed that they will introduce a bill to recall the In-House PW bill. WASWD will be working on this topic.

Commissioner Barton is on the Workforce committee, and they are working on job fair booth information and creating promo videos from the different agencies showcasing the different careers in the water industry.

- c. Our next Commissioner’s meeting will be on December 21, 2023, at 3:30 PM.

14. PUBLIC COMMENT

None.

General Manager Black’s last Board of Commissioners meeting as General Manager. Staff and Board of Commissioners shared their appreciation for General Manager Black’s contributions to Lakewood Water District over the past 39.5 years.

Engineering Manager Meyer (Marshall) shared that he has enjoyed knowing General Manager Black (Randy) for the past 20 years. He first heard about Randy regionally and even nationally

due all his hard work in making things happen in the water industry. He shared how he appreciated Randy's belief and encouragement in him and the staff and how he has led the District. Randy's fingerprints are all over this organization and the kudos that the District receives have a lot to do with his leadership and stewardship.

General Manager Black thanked Marshall for his kind words.

Customer Service Manager MacDougall (Teri) shared that she is thankful for the last 20 years and the guidance Randy has shown her and his encouragement to participate in the Board meetings to learn more about the District. She shared that she couldn't ask for a better boss, a better teacher, a better leader, and to show her the way. She thanked him for all the support that Randy had given her.

General Manager Black thanked Teri for her kind words and for being a constant professional and he could always count on her being honest with him. He shared the one thing about this organization as a whole that has always endeared him to the organization was the people, because all that this organization has done isn't just because of me; it is has been us and it has been we that makes this organization the way it is.

IT Manager Fast (Christian) thanked Randy for the opportunity to come and work at the District. The District has become more of a family and that is due to his leadership. Christian shared that he thankful for all of the opportunities to do more than just IT. He is also thankful for the friendship that has been built.

General Manager Black shared that the District is lucky to have him and thanked him for his honest and direct communication.

Operations and Maintenance Manager Dean (James) shared that his time at the District has been short, but he has known Randy for several years and he has seen Randy's leadership in the different organizations that they are involved with. Randy's leadership is the reason he wanted to come to LWD.

General Manager Black shared that he was very excited to have James here and that he had to keep his enthusiasm and excitement to a minimum because he didn't want staff to get a feel for that and wanted James to exceed on his own merits. After James was selected for the job Randy was really excited and told all of the staff how James was going to be a great addition.

Administrative Assistant Clark (Jeri-Lynn) shared how thankful she was to have Randy as a boss. After 21 years at the city to come here to LWD was a completely different world and that was because of Randy and his leadership. She shared that Randy truly cares about his staff and the ratepayers and not himself.

General Manager Black thanked Jeri-Lynn for taking a chance and for being his right hand and for looking after him and for being more than he could have asked for.

Commissioner Korsmo (John) shared how he has enjoyed the number of years working together and he is appreciative of the collaboration and rewarding it has been working together and his

managerial style. They may not have always agreed on everything, but that makes it more interesting.

Commissioner Rediske (Greg) shared that Randy asked him out for coffee one day and said, “hey do you want to be a water commissioner?” Next thing he knows he is taking Commissioner Philips position. He shared that it's been a pleasure all along because it's a volunteer thing. He feels like he is doing this with the community, but it's just been so rewarding to see what Randy's done, for the community in terms of what the water district does for our community and it's a lot because of Randy in his opinion.

Commissioner Barton (Gary) shared that his first meeting he attended as a citizen he shared with Randy that his career in water wasn't over and that he had something to give back to the community and that first meeting he knew Randy was an outstanding leader. After Gary was appointed, he was surprised that the General Manager would take time out of his busy schedule to drive him around the District and show him the Wholesale Transmission Main project, tanks, etc. He is proud to be here because of Randy's leadership.

General Manager Black shared that it has been an honor to serve the Board of Commissioners and the District. He would have never guessed at 33 years old he would be here today 29 years later. He has learned a lot throughout his career, mistakes were made and he owned them and learned from them. He always tried to take responsibility and set an example to the staff to understand what it means to be committed, involved, participating and understanding it is ok to make mistakes as long as your heart was in the right place.

The organization is well known in the District for what we do as an organization together and that has been important to him is how we are reflected in the community. If your motivation is always what the best interest is for the ratepayers, you will always end up on the right side.

He is at peace knowing that Marshall is taking over and he has his full trust and confidence in Marshall. That helps when you think about turning over something to somebody, you want the same care, and you want the same motivation and outlook towards what you do and what you've done and to continue on. He feels he has that with Marshall and the staff here in the District. He shared he at peace with where this organization's going to go in the future and excited to see where it's developing. Randy said, “thank you all very much for the very nice kind and generous words and means more to me than what you really know.”

Commissioner Korsmo shared some closing thoughts and adjourned the meeting.

15. ADJOURN

President Korsmo adjourned the meeting at 5:42 PM.

LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS

BY:


ITS PRESIDENT

BY:


ITS VICE PRESIDENT

BY:


ITS SECRETARY

BY:

 11/21/23
DISTRICT SECRETARY (DATE)