



**LAKEWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Special Meeting
March 28, 2024
Boardroom & Via Microsoft Teams**

1. CALL MEETING TO ORDER

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

2. ATTENDANCE

Present at the meeting: Commissioners J. Korsmo, G. Rediske, and G. Barton; General Manager M. Meyer, Operations & Maintenance Manager J. Dean, Accounting Specialist II, Michelle Kohler, IT Manager C. Fast, HR Manager B. Levo, and Administrative Assistant J. Clark.

3. PUBLIC COMMENT

None.

4. APPROVAL OF MEETING MINUTES FROM 2/22/24 MEETINGS.

COMMISSIONER REDISKE MOVED TO APPROVE THE MINUTES FOR THE REGULAR MEETING FEBRUARY 22, 2024, SECOND BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

5. FINANCIAL INFORMATION

Michelle Kohler, Accounting Specialist II presented the February 2024 financial to the Board.

- *Retail Sales* Currently we are 7.89% higher than budgeted for the month and 5.60% higher YTD.
- *Operating revenue* is 3.04% higher than budgeted for the month and 2.87% higher YTD.
- *Pumping Operations* is 12.34% lower than budget for the month and 11.98% lower than budget YTD.
- *Water Treatment Operations* is 5.78% over budget for the month and 7.03% under budget YTD.
- *Transmission and Distribution Operations* is 32.45% under than budget for the month and 34.90% under budget YTD.
- *Total Operating Expense* is 20.81% under budget for the month and 21.93% lower than budget YTD.
- *Net Operating Revenue* – Current \$389,845, Budgeted \$181,051 Variance \$208,794 as Net Operating Revenue.

a. Approval of Payables

Disbursements made from the General Ledger Fund for checks number 47405 through 47491 totaling \$926,023.50, salary direct deposits totaling \$339,464.59, payroll taxes totaling \$130,101.38, and other electronic payments totaling \$326,036.36 for a total of \$1,721,625.83 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. GENERAL MANAGER'S REPORT

Employee Suggestion Award – General Manager Meyer shared that the leadership team nominated Z. Smith for the Employee Suggestion Award for his innovative thinking in saving the District pumping power costs. In November 2023, he started looking at how we operate our wells and what we could do to be more cost-effective monthly. The changes he implemented have already saved the District \$17k and is on track to save \$60-70K a year in power costs even with the rate increase from PSE and other power companies. Per Resolution B-1363, staff can receive an award of \$1,000 or 10% of the savings, not exceeding \$5,000, with Board approval. General Manager Meyer recommends awarding \$5,000 to Zac Smith due to the amount of money he is saving the District.

The Board approved the request to award the Employee Suggestion Award to Zac Smith in the amount of \$5,000.

Scrivener's Error Correction – At the February 22, 2024, meeting, the Board approved Resolution B-1486 Country Place GAC PWB Loan. The total dollar amount listed for the loan was correct, but the breakdown of the amount for the grant was incorrect. The resolution should have stated that the grant should have been \$600,000, not \$800,000. The term of the loan of 20 years with an interest rate of 1.38% was all correct. The final numbers should read \$600,000 in grant and loan of \$3.4 million for a total of \$4 million.

The Board acknowledges the error and correction.

RFP Country Place O-2 and Hipkins I-3 Wells Design – We received three proposals. The proposals were reviewed by Zac Smith, Don Stanley, Randy Black, and Marshall Meyer. After reviewing them the following firms were selected:

- Oakbrook O-2 Well Design – Consor Engineering
- Hipkins I-3 Well Design – RH2 Engineering

Federal And State Infrastructure Funds

We received great news from State Representative Leavitt that the District's request for an additional \$1.86 million in state funds through the DCCA was approved. This funding will complete the funding package for two new District wells – the K-3 Well and the G-4 Well. Between state and federal funds, we have received a little over \$5.6 million in grant funds for these projects.

We also received good news from US Representative Strickland's office that just over \$950,000 in federal funds were approved for the District to address PFAS. The original request was for \$7.2 million for two wells, but a significantly lower amount was actually approved. These funds will likely go to help with the costs of the second replacement well at Oakbrook.

Update on DSHS Western State Hospital

DSHS submitted its water rights change application to the State Department of Ecology in mid-February. We are hearing that Ecology will take about three months to issue a determination on

the quantity of water rights that will be approved for the Farm Well. This is a critical item for the District's consideration of a water system consolidation with the Western State Hospital System.

We are still working with our general counsel to finalize the MOU language with DSHS to consolidate water systems. Some of the key elements are ensuring that we have water rights to serve the hospital now and into the future, as well as additional water rights for our existing service area. While we have sufficient water rights for the next 20 years, they are increasingly difficult to obtain, and this is viewed as a sort of return on investment for going through a consolidation, giving the District increased ability to serve future customers. Another issue that is important to consider is the conditional assessment of the water system. The assessment work is underway with RH2 Engineering, and James Dean is participating in the project to keep us informed and ensure our interests are well represented.

7. APPROVAL OF THE 2024 DEVELOPER EXTENSION AGREEMENT AND DESIGN / CONSTRUCTION STANDARDS.

Every year these two documents are reviewed and updated. There were only a few minor changes made since 2023, and those are outlined in the summary document.

MOTION TO APPROVE THE 2024 DEVELOPER EXTENSION AGREEMENT AND DESIGN / CONSTRUCTION STANDARDS BY COMMISSIONER REDISKE. SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

8. APPROVAL OF RESOLUTION B-1489 BOARD OF COMMISSIONERS HANDBOOK

The Board discussed the Commissioner handbook and moved to table the discussion until the next meeting after language about the newsletter has been added to the handbook. General Manager Meyer will draft some language for the Commissioners' review.

9. APPROVAL OF RESOLUTION B-1490 BUDGET POLICY

General Manager Meyer shared Resolution B-1490 Budget Policy for approval, there were no questions.

MOTION TO APPROVE RESOLUTION B-1490 BUDGET POLICY BY COMMISSIONER REDISKE. SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

10. OPERATIONS & MAINTENANCE REPORT

Operations & Maintenance (O&M) Manager Dean shared that staff completed the service line inventory last month. They tested 375 service lines and did not locate any lead in the system. The crews dug each location by hand and saved the District money by not renting a vactor truck.

The Hipkins project is going well. All of the pipes have been laid, and pressure testing should be completed in three weeks.

O&M Manager Dean has been working with the City regarding the replacement of concrete panels when they need to be replaced, and when they don't. They are still discussing the different options regarding when and when they are required to be replaced.

a. Approval of the Backflow Assembly Tester Contract

O&M Manager Dean shared the bid results with the Board and noted American Backflow Service submitted the lowest bid of \$29 for each test. American Backflow & Plumbing Services is headquartered in Portland, OR, but they have three local testers in the Lakewood area who will be able to perform the tests. Last year's contractor prices went up over \$10 for each test.

MOTION TO APPROVE THE BACKFLOW ASSEMBLY TESTER CONTRACT TO AMERICAN BACKFLOW & PLUMBING SERVICES FOR 2024-2025 BY COMMISSIONER KORSMO. SECONDED BY COMMISSIONER BARTON.

11. ENGINEERING REPORT

The report is attached.

12. IT MANAGER'S REPORT

There were no cybersecurity issues, and only one employee failed the February spam test. They knew immediately what happened, told IT about it, and received training on not clicking on spam.

Door swipe locks have been installed around the District offices and garages and will be included in the new buildings of Country Place, 88th, and Pine sites and the annex. AWIA requires everyone to move towards having all electronic door swipes. The District is going to install a few each year. He will also install new security cameras at the Oakbrook and American Lake Garden sites.

13. HR MANAGER'S REPORT

HR Manager Levo shared the current succession plan. The layout is a little different from the past.

We are expecting two retirements within the next two years. The District's Operations & Maintenance Department Head will stop reporting in October 2024 and officially retire in June 2025. One of our Construction Inspectors will stop reporting in February 2025 and officially retire later that year. Additional retirements are projected in 2027 and 2028.

Potential candidates are identified on the worksheet and represent current District staff who have demonstrated skills and knowledge that may be beneficial to positions that have been identified as critical. Critical positions within the organization may include senior leadership positions, those with a high impact that requires specialized expertise or training, and/or those with low talent availability.

For upcoming years, we plan to expand the District's succession plan to include significant District challenges over a specified term, required competencies for critical positions, individual development plans, and more.

14. OTHER BUSINESS

- a. The Board acknowledged the wage increase this month.
- b. Commissioner Barton provided a brief update on the WASWD Workforce Development committee has been working on. They have been preparing for the spring WASWD conference and will have a booth to debut their swag, information handouts, and videos.

He also shared that the Public Works Trust Fund is fully funded and will accept applications soon.

c. Our next Commissioner's meeting will meet on April 25, 2024 at 3:30 PM.

d. Water Week Proclamation acceptance on Monday, May 6, 2024, at Lakewood Council meeting at 7 PM. Commissioner Barton and General Manager Meyer will attend to accept the proclamation.

15. PUBLIC COMMENT

None.

16. ADJOURN

President Korsmo adjourned the meeting at 10:07 AM.

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



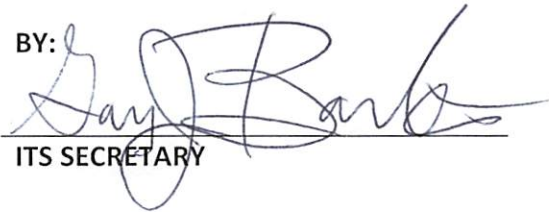
ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

BY:



DISTRICT SECRETARY (DATE)