

**LAKWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS  
Minutes of Regular Meeting  
Thursday, December 16, 2021**

President Korsmo called the virtual Regular Meeting to order at 3:33 p.m. at the District office. Staff participated via Microsoft Teams.

Present at the meeting: Commissioners J. Korsmo, G. Rediske, and G. Barton, General Manager R. Black, Engineering Manager M. Meyer, Operations Manager I. Black, Office Manager T. MacDougall, Finance Manager P. Mendoza, IT Manager C. Fast, HR Analyst B. Levo, and District counsel R. Schultz, of Gordon Thomas Honeywell.

**Public Comment:** None.

**Approval of Meeting Minutes:**

Commissioner Rediske requested a correction to the minutes of November 18, 2021, related to a typo on the per-month bill cost. This correction has been made. Commissioner Rediske then moved to approve the minutes of the November 18, 2021, Regular Meeting. Commissioner Barton seconded the motion, which carried unanimously. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on these approved minutes.

**Financial Information:**

The Finance Manager presented the November financials to the Board. President Korsmo inquired about the amount of net income versus budgeted projects; the Finance Manager shared information on asset reclassification.

Disbursements made from the General Ledger Fund for check number 44457 through 44555 totaling \$2,024,747.22, salary direct deposits totaling \$180,895.58, payroll taxes totaling \$63,824.58, and other electronic payments totaling \$1,837,859.50, for a grand total of \$4,314,863.15 were presented to the Board for approval. After review, Commissioner Barton moved to approve the payables as listed. President Korsmo seconded the motion which carried unanimously. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on these approved payables.

**Board Review and Approval of the 2022 Draft Budget**

The General Manager presented an introduction to the final budget and the theme for 2022: Focusing on Tomorrow, Today. He also commended the staff for their hard work. There have been very few changes since the draft budget presentation in November; only the five-year forecast and cash flow have changed.

The Finance Manager presented the 2021 forecast with 10 months actual and two months forecast. These figures align 2022 with 2021 budget costs. Retail revenue is higher than shared in November's meeting, with differences in projected future projects; water treatment with more PFAS testing for example. Considering the 2021 financial forecast and debt issuance every two years, we recommend a 6.68 percent weighted average rate increase.

The General Manager went through a high-level overview of the budget sections and requested direction on the maximum vacation bank. COVID-19 has prevented staff from using as much vacation as is typical, resulting in higher balances. The General Manager recommended that the Board approve an increase to the maximum vacation bank from the 240 hours previously agreed upon to 320 hours. The bank will be use it or lose it and will allow staff to take adequate amounts of vacation without having a negative impact on District staffing levels. The General Manger also presented another option for the Board to consider – keep the 240-hour maximum bank but allow staff a grace period of one year to manage their vacation down to 240 hours or less. After discussion, the Board agreed to a 320-hour maximum vacation bank, which will be approved with the motion to approve the 2022 Budget.

The General Manager shared that with a 6.68 percent rate increase, the District is projected to see \$3,935,761 in net income in 2022. It is the recommendation that the Board of Commissioners approve the 6.68 percent rate increase and adopt the 2022 Budget.

Commissioner Rediske requested a correction to Commissioner Barton's term in the introduction section of the 2022 Budget.

Commissioner Barton moved to adopt the 2022 Budget as presented. President Korsmo seconded the motion, which carried unanimously.

Commissioner Rediske moved to approve Resolution B-1473, which outlines the 6.68 percent weighted rate increase. Commissioner Barton seconded the motion, which carried unanimously. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on Resolution B-1473.

Commissioner Barton moved to approve the District's 2022 Salary Chart. Commissioner Rediske seconded the motion, which carried unanimously. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on the District's 2022 Salary Chart.

## **Executive Session Under RCW 42.30.110**

President Korsmo called for a 15-minute Executive Session under RCW 42.30.110 for District counsel R. Schultz to update the Board on a legal matter. The Executive Session began at 4:25 p.m. At 4:40 p.m., the Board exited the session. President Korsmo called for another five minutes, until 4:45 p.m., and the Board resumed. At 4:45 p.m., the Board exited the session. President Korsmo called for an additional five minutes, until 4:50 p.m., and the Board resumed. At 4:50 p.m. the session concluded.

## **General Manager's Report:**

In the interest of time, the General Manager touched on a few items from his full, written report, including the successful hire of a new Administrative Assistant, who has a 02/01/2022 start date. He also briefly provided information on the progress of the essential workers designation.

## **Operations Manager's Report:**

The Operations Manager touched on a few items from his full, written report, including the punch list for the 39<sup>th</sup> Avenue project, the Gravelly Lake Drive project, and the upcoming Phase Four of the 39<sup>th</sup> project. He also briefly discussed challenges with materials shortages.

## **Engineering Manager's Report:**

The Engineering Manager touched on a few items from his full, written report, including the rehabilitation work on the Steilacoom site well, the work to bring P-1R back into service, the PFAS State Action Levels taking effect January 01, 2022, and additional wells that will be taken offline. He also briefly discussed the article on PFAS that will be shared in the next District newsletter.

## **Office Manager's Report:**

The Office Manager did not have items to report this month.

## **WASWD Funding Request on Prevailing Wage Issue:**

The General Manager recapped the details provided in his report and the current actions of WASWD related to the petition on the prevailing wage issue. The General Manager requested Board approval for the District to be named as an intervener party in the petition and provide up to \$2,000 in legal costs, if needed. The Board approved both requests.

## **Other Business:**

The Board acknowledged employee wages as presented. Commissioner Barton presented information on the latest Government Relations Committee meeting, including that the legislature continues to meet virtually, the Senate had an in-person meeting with a group of constituents, water quality is not currently on the legislative radar, the Washington State budget will have \$3-4 billion dollars of federal money coming in, the public works trust has requested \$250 million, and a discussion took place on WA Cares and the potential delay.

Commissioner Barton also presented information on the watershed forum. USGS gave a presentation on a groundwater model. The model will improve understanding of hydrologic framework, including groundwater maps, streamflow measurements, groundwater simulations, recharge from precipitation, and more. The General Manager shared that since 2006, the District has invested \$103,415 in the model and \$149,393 in stream and surface water monitoring.

With no additional business to address, President Korsmo adjourned the meeting at 5:18 p.m.

**LAKWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS**

**BY:**

  
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**ITS PRESIDENT**

**BY:**

  
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**ITS VICE PRESIDENT**

**BY:**

  
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**ITS SECRETARY**

**ATTEST:**

  
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**DISTRICT SECRETARY**