



**LAKESWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
May 19, 2022
Boardroom & Via Microsoft Teams**

1. CALL MEETING TO ORDER

President Korsmo called the Regular Meeting to order at 3:32 PM.

2. ATTENDANCE

Present at the meeting: Commissioners J. Korsmo (Teams); G. Rediske and G. Barton; General Manager R. Black; Engineering Manager M. Meyer; Finance Manager P. Mendoza; IT Manager C. Fast; HR Analyst B. Levo; Administrative Assistant J. Clark.

3. PUBLIC COMMENT

None.

4. HONORING THE 28TH & 29TH DISTRICT REPRESENTATIVES FOR THEIR DEDICATION TO SECURING \$5.56M FOR THE SCOTTS WELL GAC SYSTEM.

Commissioner Korsmo welcomed Representatives Leavitt, Kirby, Bronoske, and Senators Conway and Nobles. Thank you for helping to secure \$5.56 Million in funding for the GAC (Granulated Activated Carbon) system.

General Manager Black thanked the representatives for their dedication and pursuit of the interest of our ratepayers by finding funding for this project. We can keep the rates down for our ratepayers and our most vulnerable population who cannot afford rate increases. This helps make their water safe and reliable.

Mr. Meyers, Engineering Manager, shared we were able to start pumping water through the treatment system; we are beginning our final testing and plan to be delivering water to customers this week.

Representative Leavitt is grateful to the District and all their work to protect their residents. Thank you for reaching out to her, and she appreciates the great partnership between the District and her office.

Senator Conway thanked the District for taking the time to recognize the partnership on this project. He also reminded us that next year is the larger capital budget cycle and to watch for funding opportunities.

Representative Bronoske shared he was excited about this project. He shared that this was not a nice to have project, but a must have project to have the highest quality water for the District. Thank you for the collaboration on the project; please reach out in the future anytime.

General Manager Black shared that District will be applying for Federal funding for the additional four wells that are offline due to PFAS. We have 31 robust wells that are providing water currently. Senator Murray's office secured 2 million for replacement wells. The District is always looking to find funding to help keep costs down for our ratepayers. Due to their funding, we now have 5 million gallons a day free from PFAS.

Commissioner Korsmo is very happy with the work the District has done to be proactive by using the best strategies when looking for the best solutions for providing the best quality water. We appreciate your support.

Senator Nobles thanked the District for their partnership, being experts in their field and making sure our residents are taken care of.

Appreciation awards were presented to Senator Nobles, Representative Leavitt, and Representative Kirby. Senator Conway, Representative Bronoske, and Representative Morgan will have their appreciation awards delivered to them.

WOODLAND ESTATE MEETING REPORT

General Manager Black shared that 12 of the 13 property owners would like to move forward with the watermain installation. There is one property owner who owns two parcels, he is currently exploring other options.

Mr. Chambers, Legal Counsel, shared the plan is to move forward with the Developers Extension Agreement (DEA) and repayment plan with all the owners who are wanting to proceed with the watermain and meter installation.

General Manager Black shared they are working on the easements now and construction will start once all the property owners have signed the DEA, easements, five-year loan repayment plan or the payment in full.

If the final owner does not want to participate, the District would have to move forward with the easements to access the property; the District would have to do condemnation of the property.

Mr. Chambers feels confident that we will have 100% participation, it is just too soon to know.

5. APPROVAL OF MEETING MINUTES FROM 4/18/22 SPECIAL MEETING AND 4/21/22 REGULAR MEETING.

Commissioner Rediske would like more information regarding the public comments that were made at the special meeting and a list of the public who were in attendance. Commissioner Korsmo suggested tabling the approval of April 18, 2022, meeting minutes until the next meeting. Commissioners agreed to table the approval of the meeting minutes.

COMMISSIONER KORSMO MOTIONED TO TABLE THE APPROVAL OF THE APRIL 18, 2022, MEETING MINUTES UNTIL THE JUNE MEETING. COMMISSIONER BARTON SECOND. MOTION PASSED UNANIMOUSLY.

Commissioner Rediske shared the meeting minutes for April 21, 2022 stated the next meeting is May 21, 2022, and the correct date should be May 19, 2022.

COMMISSIONER REDISKE MOVED TO APPROVE THE APRIL 21, 2022, MEETING AS CORRECTED. SECOND BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY. COMMISSIONER KORSMO APPROVED THE USE OF HIS ELECTRONIC SIGNATURE.

6. FINANCIAL INFORMATION

The Finance Manager Philip Mendoza presented the April 2022 financials to the Board. The new rates were integrated into the April 2022 billing process. He shared that in April 2022, retail sales were pretty much spot on, well within 1% budgeted and 1% YTD. Wholesale water sales are lower than projected. Operating revenue is 5.32% lower than budgeted and 4.71% lower than YTD; Mr. Fast is working on three new cell tower leases to replace the ones that ended. Pumping operations is 13.99% lower than budget and 6.63% under budget YTD. Water Treatment operations is 53.77% under budget, and 31.12% under budget YTD. Transmission and Distribution operations is 28.11% under budget and 14.79% under budget YTD. Total operating expense is 11.11% under budget and 6.21% under budget YTD.

a. Approval of Payables

Disbursements made from the General Ledger Fund for checks number 45077 through 45177 totaling \$1,440,825.34, salary direct deposits totaling \$293,884.05, payroll taxes totaling \$106,208.28, and other electronic payments totaling \$336,143.18 for a total of \$2,177,060.85 were presented to the Board for approval.

COMMISSIONER REDISKE MOVED TO APPROVE THE PAYABLES AS LISTED. COMMISSIONER BARTON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY. COMMISSIONER KORSMO APPROVED THE USE OF HIS ELECTRONIC SIGNATURE.

7. BOARD APPROVAL OF INCREASE TO UNIFORM STIPEND

General Manager Black is requesting an increase of \$25.00 to the office and management staff shirts stipend from \$150 to \$175. The last increase was six years ago, with the cost of inflation, clothing prices have gone up.

Commissioner Barton inquired if \$25 was enough of an increase. General Manager Black shared that the average price of the shirt is \$50-\$55.

Commissioner Rediske asked if it is recommended to wear logo shirts. General Manager Black shared that it is recommended and that everyone does participate. Newer staff will purchase more shirts than staff who have been here a while and have more shirts throughout the years.

COMMISSIONER BARTON APPROVED THE INCREASE OF \$25.00 TO THE ANNUAL OFFICE AND MANAGEMENT SHIRT STIPEND. SECOND BY COMMISSIONER REDISKE. MOTION PASSED UNANIMOUSLY. COMMISSIONER KORSMO APPROVED THE USE OF HIS ELECTRONIC SIGNATURE.

8. GENERAL MANAGER REPORT

Abitibi Update - General Manager Black shared he had a meeting with Abitibi property developer Rand Bell and their team of consultants, attorneys, environmental specialists, and engineers. The meeting went very well, and we were able to answer many of their questions. The agreement is being reviewed and finalized by the attorneys and should be back early next week. Mr. Meyer is working with Burt Clothier the District's Hydrogeologist, to set up specifications and requirements for the well drillers to work off and give us a price. We should be able to evaluate the four wells in late July or early August.

Spanaway Water – The Leonards and Hohns have signed their agreements. The third property is a little more complicated, and we are working with their attorney. The complication is the Valencias own the property, but the Martinez are leasing to own the property. They agreed to sign the "Stipulation of the Need for Use and Necessity." After the assessment has been completed, they will come back and negotiate through their attorney. We can move forward once we have the contractor selected. The supplies were awarded at the special meeting earlier this month. We should be going out to bid for the contractor in June, and the goal would be to start the project in late August or early September.

Federal Infrastructure Funds - Mr. Meyers, Engineering Manager, has been doing a great job with the project management and working with Gene Petersen, Consultant, and Burt Clothier, Hydrologist, on the E aquifer study. We are working on the final steps for the funding from Senator Murray's office, and we are still not clear where the funding will come from, the Dept. of Interior or the Dept. of Transportation. This \$2 Million will be the funding of two new wells.

Commissioner Korsmo inquired if we need approvals to access the Abitibi site for our consultants to evaluate the wells. General Manager Black shared that they are finalizing the Right of Entry with the property owners now. Our hydrogeologist and well driller will be onsite when they are testing the sites to see if the wells test is useful for water consumption.

11. OPERATIONS REPORT

Operations Manager Black was unable to attend the meeting; please see his reports for updates.

Commissioner Korsmo asked if anyone had any questions.

Commissioner Rediske inquired why the Washington Blvd. project is set for two years. General Manager Black shared it is set in two phases, so the road is not completely closed at one time. Mr. Meyers said it could also have to do with when the funding comes in for the city.

Commissioner Barton inquired when the next safety training is. General Manager Black shared that the Trench Safety and Competent person safety training is next week.

12. ENGINEERING MANAGER'S REPORT

Mr. Meyer, Engineering Manager, shared at the View Road Site, both wells have gone down and are not working. The parts are still in the warranty period and shouldn't cost us to repair. We were able to get water over there to keep things flowing.

Mr. Meyer shared a PowerPoint presentation on the eight (8) wells impacted by PFAS: G-1, G-2, H-1, H-2, I-3, O-2, O-3, and U-1. J-1 and J-2 wells are near the State Action Levels (SAL) but are below SAL. We have addressed four wells, and we will have a plan presented by the end of the year for the remaining four wells.

Commissioner Rediske asked if the PFAS was in the shallow aquifers only. Mr. Meyer shared that it is in the shallow A & C aquifers. He also wanted to note that not all A & C aquifers have PFAS. E & G aquifers have all been tested with no detection of PFAS.

Commissioner Barton shared that it is odd that the further away from McChord, the higher the levels go. Mr. Meyer agreed that we are finding some of the highest levels farther away.

Current status:

- Performed modeling of the aquifer and confirmed viability of drilling deeper would work at the site.
- Gathering treatment system cost and size – Ion-Exchange and Granulated Activated Carbon (GAC) which we already have two GAC systems.
- Working with DOH on funding availability and requirements.

Commissioner Barton inquired if we are using the USGS model. Mr. Meyer said we use the Clover Creek/Chambers Creek current model. The new model will not come out until the fall. General Manager Black shared that the existing model is conservative. It is better to overpredict the impact than under predict. This will also set us up to be ready to apply for the funding.

Commissioner Korsmo inquired if we would be going back to the State or just staying with Federal funding. General Manager Black shared DOH expects more requests for funding than Federal dollars. There will probably be a bill that requests funding beyond the \$17 million in the Infrastructure Investment Jobs Act.

Commissioner Korsmo referred to when he shared with the State representatives earlier that the District does its homework. It is nice to see the planning and strategies and what we are working with. Great job!

13. OFFICE MANAGER REPORT

General Manager Black shared that there will be an open house for the "No Tenant Sign Up" proposal on May 25, 2022, at 12 PM and 6 PM in the boardroom. There have been comments from landlords sharing that this will cause them more work and costs; they would prefer to keep it as is. The staff did an assessment of the timeline and process to start/close accounts each month. The average cost for 66 tenants a month in District costs is approximately \$1,000 a month or \$12,000 a year.

Another option would be to charge a \$20 per tenant set up fee. The fee would be charged to the owner on all new accounts, where the property owner has the tenant have water service in their name.

Commissioner Rediske and Commissioner Barton both support the "No Tenant Sign Up" but would like to hear the results of the meetings. They both feel it would be good to have one Commissioner at each meeting.

Ms. Clark and I will be taking notes at the meetings, and we will share those comments at the June meeting.

Commissioner Korsmo, does the landlord need to pay the bill, or can they have the tenant pay the bill? General Manager Black shared that would need to be worked out with the landlord and tenant. They can send the bill to both the landlord and tenant.

Commissioner Korsmo looks forward to hearing the feedback and recommendations at the next meeting.

14. Other Business:

- a. The Board acknowledged there were no wage increases this month.
- b. General Manager Black shared updates on Water Week, Historical Wall Mural, and the Wholesale Transmission Main event.
- c. Commissioner Barton provided a brief update on the WASWD Legislative Committee. The focus is to push back on the utility tax. The three options that WASWD is looking at: Legislature declare special districts are government agencies, tax cap at 6%, and no tax. Commissioner Barton would like to know the District's thoughts and what direction we would like to take.
- d. Our next Commissioner's meeting will be on June 30, 2022, at 3:30 PM.

14. PUBLIC COMMENT

None.

15. ADJOURN

President Korsmo adjourned the meeting at 5:29 PM.

LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS

BY:


ITS PRESIDENT




BY:


ITS VICE PRESIDENT

BY:

Not Present
ITS SECRETARY

BY:

 
DISTRICT SECRETARY (DATE)
 6/30/22