



**LAKESWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS  
Minutes of Regular Meeting  
August 18, 2022  
Boardroom & Via Microsoft Teams**

**1. CALL MEETING TO ORDER**

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

**2. ATTENDANCE**

Present at the meeting: Commissioners G. Rediske, and G. Barton; General Manager R. Black, Operations Manager I. Black, Finance Manager P. Mendoza, IT Manager C. Fast, Administrative Assistant J. Clark.

Commissioner Rediske excused Commissioner Korsmo's absence from the meeting.

**3. PUBLIC COMMENT**

None.

**4. APPROVAL OF MEETING MINUTES FROM 7/21/22 REGULAR MEETING.**

**COMMISSIONER BARTON MOVED TO APPROVE THE JULY 21, 2022, REGULAR MEETING, SECOND BY COMMISSIONER REDISKE. MOTION PASSED UNANIMOUSLY.**

**5. FINANCIAL INFORMATION**

Philip Mendoza, Finance Manager, presented the July 2022 financials to the Board. He shared that retail sales in July 2022 were 32.22% lower than budgeted and 13.89% lower YTD. Retail consumption is lower by 29.8% in July 2022 vs. July 2021 (23.5M CF vs. 33.4M CF). The total sale of water is 23.68% lower than budgeted and 8.58% lower than budgeted YTD. Current Wholesale 10.74% higher than budgeted and 1.58% lower than budgeted YTD. The new rate for Summit is 1.8 MGD vs. 1.5 MGD scheduled, Firgrove 1.3 MGD vs. 2 MGD scheduled, and Washington Water 1.7 MGD vs. 1.5 MDG scheduled. Operating revenue is 12.99% lower than budgeted and 5.17% lower YTD. Pumping operations is 11.86% lower than budget and 6.74% under budget YTD; is directly correlated to the retail sales. Water Treatment operations are 26.62% under budget and 29.99% under budget YTD. Transmission and Distribution operations are 1.12% over budget and 9.18% under budget YTD. Total operating expense is 6.36% over budget and 3.49% under budget YTD. Pumping maintenance is 2.34% over budget and 15.91% under budget YTD. Water Treatment Maintenance 62.39% under budget and 19.40% under budget YTD. Transmission and Distribution Maintenance is 16.63% over budget and 17.78% under budget YTD. Total Operating and Maintenance Expense is 3.55% over budget and 4.14% under budget YTD. Net Operating Revenue is 44% under budget and 8.43% under budget YTD. Net Income 64.71% under budget and 23.83% YTD ahead of the budget.

### **a. Approval of Payables**

Disbursements made from the General Ledger Fund for checks numbers 46402 through 46520 totaling \$1,513,610.67, salary direct deposits totaling \$186,243.44, payroll taxes totaling \$69,215.26, and other electronic payments totaling \$357,360.52 for a total of \$2,144,429.89 were presented to the Board for approval.

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

### **6. 2023 BUDGET UPDATE**

General Manager shared that the 2023 budget will be a challenging year for us due to the cost of inflation, we will be looking at the various projects the District has committed to do in 2023 and looking for different grant funding sources to help fund the projects.

General Manager Black would like to request due to the timing of when agencies notify recipients (November/December) they were selected to receive the grants to have the option of pushing the approval of the budget into early 2023 if needed.

The Commissioners agreed that was fine and to keep them updated on the progress. The Commissioner budget workshop will be on October 11, 2022, at 8:30 AM.

### **7. WHOLESALE WATER MAIN DEDICATION CELEBRATION**

Progress continues to move forward on the Wholesale Water Main dedication scheduled for Thursday, October 6, 2022, at 6:00 PM. We have had ten firms donate over \$5,000 monetarily or in kind to help offset the event cost.

General Manager Black requested approval from the Board to approve \$3,500 for the cost of renting the facility, awards, and incidentals for the event. Commissioner Rediske and Commissioner Barton both agreed to the \$3,500 request.

### **8. GENERAL MANAGERS REPORT**

Randall Black, General Manager, provided the following updates:

#### **Woodland Estates**

The District received 10 out of the 12 contracts for the Woodland Estates water main installation. We believe we are close to an agreement with one property owner and the last one; the other owner has questioned the District legal right require individual meters for each property. We believe that once he receives a letter from our attorney on the legal standing regarding the District's requirement that each property owner must have their own meter, we will be able to move forward as well. The property owner has until August 22, 2022, to respond to the letter before we move forward with other steps. If he does not want to proceed forward, we will need to start with condemnation proceedings to access the easement.

#### **Abitibi Update**

Proposals have been sent out to a limited number of firms through the District's small works process to solicit bids for the evaluation of two groundwater wells. The list of well drilling contractors has been approved by Burt Clothier, Geologist from Mott MacDonald that he has worked with in the past.

There will be a pre-bid meeting at the site at 10:00 AM on Friday, August 19, 2022. The proposals will be reviewed on September 1, 2022.

### **Spanaway Water**

Operations Manager I. Black will provide the update on Spanaway Water during his updates.

### **No Tenant Sign Up**

Please see the attached report from Ms. MacDougall regarding the update with the No Tenant Sign Up.

## **8. OPERATIONS REPORT**

Ian Black, Operations Manager, shared that Ceccanti is still waiting for the final supplies to come in for the Spanaway Wholesale Main; they should be here by October 3, 2022. Ceccanti contract has a deadline of December 31, 2022, so we can start supplying 2 mgd to Spanaway Water on January 1, 2023.

While the project was in the Pierce County permit department, Pierce County changed some of the project's requirements to requiring the project include nightwork due to less traffic on Brookdale in the evening. Pierce County did not let us know before the bid went out. Requiring night work was not a condition of the bid, so there will be an immediate change order once the project starts for the nightwork pay differential and additional traffic controls.

- a. Board Approval of contactor for the Naomilawn, Newgrove, Highland Water Main Replacement Project #719

**COMMISSIONER BARTON MOTIONED TO APPROVE PAPE & SONS AS CONTRACTOR IN THE AMOUNT OF \$1,111,111.10 FOR THE NAOMILAWN, NEW GROVE, HIGHLAND WATER MAIN REPLACEMENT PROJECT #719. SECOND BY COMMISSIONER REDISKE. MOTIONED PASSED UNANIMOUSLY.**

- b. Board Approval of contactor for the Lake Steilacoom Drive Phase 2 Water Main Replacement Program, Job #799.

**COMMISSIONER BARTON MOTIONED TO APPROVE HCON AS CONTRACTOR IN THE AMOUNT OF \$976,833.00 FOR THE LAKE STEILACOOM DRIVE PHASE 2 WATER MAIN REPLACEMENT PROGRAM, JOB #799. SECOND BY COMMISSIONER REDISKE. MOTIONED PASSED UNANIMOUSLY.**

The Steel Building Project #0806 should be done by the end of September. The electrician should be out next week, and the garage doors should be in by the first week of September which is significantly quicker than anticipated.

## **9. ENGINEERING MANAGER'S REPORT**

Marshall Meyer, Engineering Manager, was not at the meeting; please see his report.

## **10. OFFICE MANAGER'S REPORT**

Please see attached report regarding the No Tenant Sign Up responses.

## **11. INFORMATION TECHNOLOGY MANGER'S REPORT**

### **Cyber Security**

Christian Fast, IT Manager, shared there are no Cyber Security Issues to report. The District does a monthly "All Penetration Testing" on the network systems and all remote sites that have conductivity to ensure no one can break through the firewall and identify any known exploits. Over the past year, we haven't had any findings. Having no findings can help keep insurance rate costs down by approximately 5% savings.

The July Spam testing campaign resulted in only one employee clicking on the test link. The employee was required to complete additional Cyber Security training. Once a month, Mr. Fast sends out a fake spam email to test how much staff is paying attention and being proactive by not clicking on spam. If someone clicks on the link, they will be required to take cyber training. If you do not do the training within 15 days, you will be locked out of the system. Many staff are afraid to click on anything, which is a good thing; the best first line of defense against cyber security is human security.

All operations networks are patched up to date and report no suspicious activity (pump sites, wells, anything attached to SCADA.) Mr. Fast reviews the reports weekly just in case he doesn't receive a notice of activity.

All production devices and networks are patched up to date and reporting no suspicious activity. No user accounts have been flagged for suspicious activity & no malware has been detected on District equipment.

### **ElementsXS**

The ElementsXS Asset Management installation and conversion is winding down. We are working on the PM (Preventative Maintenance) migration for the pumping department and will then start focusing on the Caselle Integration. District inspectors have begun using Elements for their inspection work orders, and field staff has been trained on fleet work orders. Mr. Fast would like to give a big shout-out to the field staff who have embraced this migration and invested the effort required to make it successful. The staff is looking forward to the granular level of reporting from the ElementsXS system that has not been available from other past programs.

### **5G Data to Remote Sites**

Most of our sites were on DSL, which is a challenge to connect and work with Century Link. In May 2022, the District began testing Cradlepoint 5G modems to provide data connections to remote sites. Initially, this was undertaken with the intent of using these devices to provide redundant or emergency service in the event of a land-based service failure. The initial testing far exceeded our performance expectations. The cost for this solution is \$29 per month per line, and when compared to DSL (\$89 per month) or Cable (\$113 per month), that is a notable difference. By the end of summer, we will have migrated all of the DSL sites to 5G, and any small to medium sites requiring new data services will have the 5G solution.

### **Remote Site Security**

New security cameras and access control systems have been installed at the Hemlock, 112th, and Scotts sites. Additionally, a premise intrusion detection system has been

installed at the Scotts site and will go online before the end of the month. These updates keep us on track to becoming AWIA compliant at all our sites.

### **Cell Tower Update**

The District has come to a contract agreement with Dish Networks on the former Sprint locations at the Steilacoom, Washington, and Grant Avenue sites. Mr. Fast expects the final contracts back from Inslee Best within the next week. Dish Network has shared a strong interest in the Oakbrook site as well.

## **12. Other Business:**

- a. The Board acknowledged the wage increase this month.
- b. General Manager Black shared a developer paid \$200,000 for their performance bond directly to the District instead of getting a Performance Bond from a bonding company. The developer may choose to have the District keep the 15% Maintenance Bond and deduct it from their Performance Bond. We would then issue the difference, or we would reimburse the entire amount if they purchased a maintenance bond from a bond company.
- c. AWWA Membership is a valuable tool for the Commissioners to keep them informed on everything that is happening in the water community (locally & nationally). Commissioners see the value in having the membership and all agreed to sign up for the AWWA Membership.
- d. Commissioner Barton provided a brief update on the WASWD Legislative Committee. The proposed 2023 Legislative agenda will be shared at the WASWD Fall Conference.

Topics include:

- **Public Works Trust Fund (PWTF)**- Ensuring the PWTF is properly funded; the Education Legacy Fund is sunsetting in 2023.
- **In-House Public Works** - projects for special districts are up to \$50k, and cities have up to \$150k; it would be good if special districts could also have up to \$150k to do in-house projects due to keep the cost of projects down due to the cost of inflation, getting contractors, etc. General Manager Black shared that WASWD has asked districts to share projects that \$50k would not be enough. Operations Manager I, Black is putting together projects and will share them with Judi at WASWD this week.
- **Reclaimed Water** - assure that impacts from the development of reclaimed water on water providers and their customers are fully addressed.
- **Lead in school drinking water** – maintain school responsibility for drinking water quality beyond the meter.
- **2020 Fluoride bill** - monitoring this possibly resurfacing bill.
- **Utility Tax** - Some board members will work together to gather information on how Utility taxes originated and the whole background to get the complete picture.
- **Funding Cybersecurity** – determine if there may be a legislative initiative to secure funding assistance.
- **Local program funding** – the State Treasurer’s office offers a funding source to cities for specific capital investments that is currently not available

to districts. WASWD will explore the obstacles and remedies such that districts can take advantage of those funds.

e. Our next Commissioner's meeting will be on September 15, 2022, at 3:30 PM.

**12. PUBLIC COMMENT**

None.

**13. ADJOURN**

President Rediske adjourned the meeting at 4:28 PM.

**LAKWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS**

BY:

Not Present at the 8/18/2022 Mtg.  
ITS PRESIDENT

BY:

  
ITS VICE PRESIDENT

BY:

  
ITS SECRETARY

BY:

 9/15/2022  
DISTRICT SECRETARY (DATE)