



**LAKESWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Special Meeting
December 15, 2022
Boardroom & Via Microsoft Teams**

1. CALL MEETING TO ORDER

President Korsmo called the Regular Meeting to order at 8:30 AM.

2. ATTENDANCE

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

3. PUBLIC COMMENT

None.

4. BROWN & BROWN INSURANCE RENEWAL 2023 - BRYAN DUNN

IT Manager Fast shared that renewal with Brown & Brown went well this year. The District added the Scott Well site, and the rate only went up \$270. Mr. Dunn shared that he worked with the underwriter to get the best deal. The market is still challenging, and he can't promise this kind of deal next year, but he will do his best to maximize our coverage at the best cost. He shared the water pool group had an increase of 16%, and the District benefited this year by being independent. The pool groups are not good or bad but has its own challenges. He has many districts that change coverage between private and pools. He will watch both to make sure we are getting the best deal.

Mr. Dunn shared that Brown & Brown also provides driver training and can come in and meet during a driver meeting. Commissioner Korsmo inquired if we take part in their trainings. Mr. Fast shared that we currently participate in their online training. Commissioner Korsmo inquired if we have dash cams. We currently do not. Mr. Dunn shared that having a dash cam will not lower your policy but can be a benefit if there is a situation where an incident occurs, that it could show that the District was not at fault.

5. APPROVAL OF MEETING MINUTES FROM 11/17/22 REGULAR MEETING.

COMMISSIONER REDISKE MOVED TO APPROVE THE NOVEMBER 17, 2022, SPECIAL MEETING, SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

6. FINANCIAL INFORMATION

Finance Manager Mendoza shared that he will not be presenting the November 2022 financials, they will be presented at the January 2023 meeting, and the December 2022 & January 2023 financials will be presented at the February 2023 meeting.

He did share November had \$610K in sales, and the budget was \$430K. Revenues were still down around \$170K. Wholesale was up \$22K ahead for the month and up about \$70K for the year.

a. Approval of Payables

Disbursements made from the General Ledger Fund for checks number 46874 through 45456 totaling \$710,63894, salary direct deposits totaling \$188,50.61, payroll taxes totaling \$66,224.08, and other electronic payments totaling \$2,542,746.58 for a total of \$3,508,130.21 were presented to the Board for approval.

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

7. 2023 FINAL BUDGET PRESENTATION

Commissioner Korsmo shared that he felt the budget was clear, professional, and informative, and he is very proud of it. The information is there, makes sense and shows what the District has been doing.

General Manager Black agreed with Commissioner Korsmo, and he is very proud of the staff and all their hard work and input that was provided to make this budget possible.

This was a very challenging budget due to PFAS and the unknowns. The theme was *"Minimizing PFAS Impacts While Delivering on Customer Expectations."* We have a plan in place to address the PFAS issue.

General Manager Black highlighted a few changes that were different from the budget presentation at the November 17, 2022, meeting.

- Saving on the designing of the R&R projects (\$100k)
- Remodel of the annex/on-call station (accommodate up to 7 staff) \$150K
- Savings on the 10 yr. Master Plan (City of Lakewood no longer requires) (\$25K)
- New Mission Statement, Vision, Goals, Rebranding \$15K
- Historical Wall and 80th Anniversary celebration \$5K

There was no change to the capital, staff, etc. with these changes.

Commissioner asked that the mission statement be short, concise, and to the point.

General Manager Black asked for approval of the 2023 Budget and approval of the Resolution B-1748 2023 rate increase of 6.77 percent.

MOTION TO APPROVE RESOLUTION B-1478 2023 RATE INCREASE BY COMMISSIONER REDISKE, SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

MOTION TO ADOPT THE 2023 ANNUAL BUDGET AS PRESENTED BY COMMISSIONER REDISKE, SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

8. RESOLUTION B-1477 SOLE SOURCE LIST, REPEALING B-1404

General Manager Black shared there were a few changes to the sole source list due to companies going out of business. Tooling Cable Well Drilling services are going away and leaving Holt Services to be able to perform the tasks that we require. General Manager Black reached out to the State Auditor to verify that they could list them as the sole source. The State Auditor was fine as long as the District's attorney was fine. Mr. Chambers reviewed the changes and is fine with them.

MOTION TO APPROVE RESOLUTION B-1477, SOLE SOURCE BY COMMISSIONER REDISKE, SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

9. GENERAL MANAGERS REPORT

Randall Black, General Manager, provided updates in his report but wanted to share an update on the PFAS meeting he attended at JBLM with Mr. Meyer. The base held its second TPP meeting. The Army is engaged in a CERCLA process. This process is usually 10 years, and they say it may be as long as 14 years (2031). CERCLA stands for Comprehensive Environmental Response Compensation and Liability Act, which was set up through Congress. What we learned was this is a bigger problem than what they knew, or we knew of. There are twenty-four points of interest: Landfills, areas where they practiced where they used AFFF (Aquas Fire Fighting Foam), and two facilities where they waterproofed military equipment. One of the concerns is that the end of a landfill has 4000 parts per trillion in the water. It is a more significant undertaking than they thought. There is a constant change in the scope of work related to the extensions and rescoping of work.

The letter to the base asking for more participation from this district helped to have us invited. The District provided twelve questions and we are waiting for their response. The article that was in the Seattle Times, he had three different directors approach him, to find out what private wells are located out of the base and they want to start investigating them in 2023-2024 and asked for our help finding out who has them. Pierce County Dept. of Health has a list of those well.

They have reached out to their PIO to start communicating with the community more and working with the District to partner in the message going out to the community. Posting information on each other's pages to refer for more information, please see... The biggest problem is not knowing what is going on with the base.

General Manager Black said he is very pleased to report that one of the places we applied for grants was from the Department of Commerce on Defense Community

Compatibility program; the District is ranked 3-6 out of 15. To be ranked as high as the District is great news. There is an excellent chance of getting funding through this program. It will require a strategy to message our loan to our legislative folks to support the process in the upcoming legislative session.

The City of Lakewood would like to partner with their legislative lobbyist along with our lobbyist Bill Clarke to keep this in front of the legislators.

8. OPERATIONS REPORT

Ian Black, Operations Manager, shared a progress report on the Spanaway wholesale water connection project. The construction is complete, and we are connected to Spanaway Water Company. The final step is connecting the SCADA system to monitor and control the water. Spanaway Water is concerned about the increased water pressure; we will start at a lower capacity and work the volume up each week. They should be at full winter capacity by the end of January.

Pape & Sons Naomilawn has 500 ft – 600 ft of main left to be installed, and they should be done by the end of January, a few months early. The Lake Steilacoom Dr project will start after the beginning of the year. The next project is a City of Lakewood Hipkins project; it is moving ahead sooner than planned. The Front Street project is moving forward for 2023, this is the project that has a high permit fee, and the District will be talking with them about the new fees.

The Steel building is on track for paving the front driveway area and installing storage racks.

General Manager Black shared that Spanaway Water is contemplating paying down some of its share of the capital costs; they are trying to figure out how this will translate into their monthly fixed cost. They are looking to pay \$2.3 million to buy down their fixed cost. They have yet to make a final decision.

Commissioner Rediske inquired if the Hipkins Road project would change from the curves. Operations Manager Black shared that the designs are still in the early stage, and he has not seen any plans. Partnering with the city is beneficial to the District and saves an average of 40% due to not having to do the restoration.

We will not participate in the project if the facilities are new enough. We only participate if the project location falls within the R&R timeline. The primary concern is removing the undersized mains (the oldest mains). Will the main last an additional 20 years? If yes, we can wait (because of the 20-year pavement moratorium); if not, we will partner to save funds.

Commissioner Korsmo is happy to hear that projects are finishing on schedule or ahead of schedule. The District was completing the projects when we said we would.

9. ENGINEERING MANAGER'S REPORT

Marshall Meyer, Engineering Manager, shared Steilacoom Blvd reservoir is repaired and up and running. The repairs were fixed by District staff.

We applied for the Drinking Water State Revolving Funds loan for approximately \$17M for the five wells. He thanked the finance department for their help in applying for the loans, stopping their work, taking the time to figure out the application process, and submitting them before the deadline. The loan administrator shared that 44 applications have been received; we were four of them. We should find out more in mid-January; if we made the list, we should be perceived favorably.

General Manager Black shared that Mike Means reported that before the Infrastructure Job Act Funds were available, there were about \$200 million in Federal funds designated for local governments. Mr. Means will try to have those funds moved over.

The F-2 Well at 104th & Bridgeport hasn't been out of service for the past forty years. They cleaned it and hoped they could get another 1,000 gpm capacity after the cleaning; this was not the case. They will do more surging to remove more fines and do another pump test. They will still have 1,000 gpm.

Abitibi Wells – Holt Service finished the video inspection on one of the two artesian wells. They went down approximately 1,070 ft deep and found many issues with the well casing, breaks in the wells, separation of the screen sections, and a lot of sand impacting.

They decided it was not worth the cost of testing the pumps, and they capped the well and decided it was not worth the cost it would take to repair it. This was not surprising, but still disappointing.

10. IT MANAGER'S REPORT

IT Manager Fast shared there were no cyber security issues in November. Last week, sixteen staff attended Cross Connection training over the past few weeks. He thanked the staff and District for allowing this training. Everyone who has taken the test has passed and has received their CCS - Cross Connection Control Specialist certificate.

11. OFFICE MANAGER'S REPORT

Office Manager MacDougall shared an update on the No Tenant sign-up. Staff have received a few negative calls but have also received positive calls with thankful housing providers being able to see if their tenant is behind on their water bill. Overall, the changeover has been a success.

12. HR MANAGER'S REPORT

HR Manager Levo shared a brief recap on the changes made to the sick and vacation payout at the end of employment. Request to approve resolution B-1479 - Sick Leave and Retirement Provisions - Repealing 1474.

MOTION TO APPROVE RESOLUTION B-1479 - SICK LEAVE AND RETIREMENT PROVISIONS - REPEALING 1474 BY COMMISSIONER REDISKE, SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

HR Manager Levo shared the 2023 Employee Handbook changes to the sick leave and retirement, State Paid Family Medical Leave annual rate change, and legislation language changes on the waiting period before you can take the leave.

Commissioner Barton appreciated the employee handbook's detail and asked clarifying questions. He shared he learned a lot about the District when reviewing the employee handbook.

MOTION TO APPROVE THE 2023 EMPLOYEE HANDBOOK BY COMMISSIONER REDISKE, SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

11. Other Business:

- a. The Board acknowledged the wage increase this month.
- b. Robert Gaskin has submitted his retirement notice. He will retire in June of 2525 with 37 years of service with the District. In the next few years, we will lose four long term employees: Randall M. Black (2023); Sandy Rae (2023); Robert Gaskin (2025); and Sam Bosma (2025).
- c. Commissioner Barton provided a brief update on the WASWD Legislative Committee.

Public Works Trust Fund (PWTF): He shared that some of the capital funding might be moved from the PWTF to rebuild Western State Hospital.

Bio-Solids: They also talked about the Bio-Solids bill to ensure not to allow Bio-Solids with detection of PFAS from being applied. WASWD lobbyists are working on this topic.

Water Quantity: Ecology is backing away temporarily from a full right of the water code, which could jeopardize some municipal water rights.

In House Public Works: The legislatures are saying it is reasonable to put Water and Sewer districts at the same level as the city government's amounts of \$ 150K- \$ 300K instead of the current amount of \$50K.

- d. Our next Commissioner's meeting will be on January 19, 2023, at 3:30 PM.

12. PUBLIC COMMENT

None.

13. ADJOURN

President Korsmo adjourned the meeting at 10:00 AM.

(signature page follows)

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

BY:

DISTRICT SECRETARY (DATE)