

**LAKWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS  
Minutes of Regular Meeting  
Thursday, July 16, 2020  
3:30 p.m.**

President Korsmo called the Regular Meeting to order at 3:40 p.m. via a virtual Teams meeting. Present at the meeting: Commissioners J. S. Korsmo, Jr., G. J. Rediske, and G. J. Barton; General Manager R. Black; Superintendent I. Black; Finance Director D. Logan; Assistant Office Supervisor, T. MacDougall, Senior Accounting Lead, P. Mendoza, and District consultants G. Peterson of Peterson Resources, B. Clothier of Pacific Groundwater Group, and M. Myers of Murraysmith.

**PUBLIC COMMENT:**

No members of the public were present.

**APPROVAL OF MEETING MINUTES:**

Commissioner Rediske moved to approve the minutes of the June 18, 2020 Regular Meeting, July 2, 2020 Special Meeting, and July 9, 2020 Special Meeting.

Commissioner Barton seconded the motion which carried unanimously.

**FINANCIAL INFORMATION:**

The Finance Director introduced this agenda item and invited Sr. Accounting Lead, P. Mendoza to present the June financials to the Board.

Disbursements made from the General Ledger Fund for check number 42191 through 42319 totaling \$1,315,480.64, salary direct deposits totaling \$187,016.02, payroll taxes totaling \$72,779.12, and other electronic payments totaling \$147,876.83, for a grand total of \$1,723,152.61 were presented to the Board for approval. After review, Commissioner Rediske moved to approve the payables as listed. Commissioner Barton seconded the motion which carried unanimously.

**PFAS RESPONSE STRATEGY PLAN—MURRAYSMITH:**

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The General Manager introduced District engineering consultants G. Peterson of Peterson Resources, B. Clothier of Pacific Groundwater Group, and M. Meyer of Murraysmith who came together to form a committee to take a look at a PFAS strategy plan and all the points the District was going to have to contend with, with PFAS in the water and complying with the EPA advisory level of 70 parts per trillion with the knowledge that the State Department of Health was going to come out with a rule-making process that was proposing lower levels. Mr. Peterson, Mr. Clothier, and Mr. Meyer presented and discussed with the Board a PowerPoint report and review of the proposed scenarios. The General Manager stated he was not looking for any decisions today but would like to come to a decision at the August meeting.

After a lengthy discussion regarding scenarios and policy approaches, the General Manager informed the Board this discussion would be revisited at the August Regular Meeting where he will give a recommendation to the Board on how to proceed at that time.

**SPANAWAY SPUR CONSTRUCTION AGREEMENT:**

The General Manager informed the Board he had received comments back from Spanaway Water's General Manager, J. Johnson, with the agreement for construction of the customer wholesale facilities. Mr. Johnson had two small changes proposed. One was in item #5 under the Payment of Capital Improvement Costs, where Spanaway would like to pay the entire remaining bill. It requires a \$200,000 deposit after the District awards the job to the lowest responsible bidder. Thirty days after, Spanaway would write a check for \$200,000, and the District would then proceed with construction. Mr. Johnson has added that caveat which is the same wording in the amendment that says the balance will be paid when the wholesale water supply is physically available to the customer as defined in section 2.2.1.

There are two separate costs, one for the construction and the other for the meter and the associated pieces for operating the intertie for Spanaway. Spanaway's Board is

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meeting this same day to discuss this and ask for their authorization to sign. The General Manager requested the Board allow him to sign the contract with the changes that were proposed and as long as there were no major changes.

The Superintendent briefed the Board on the difference of the costs relating to construction, engineering and design, and the District's connection costs representing the total cost for the complete package. The construction costs came in at \$649,200 with the District having a 10 percent contingency being that the District has yet to complete any design. The total after contingency with sales tax is \$781,000 for roughly 3,000 feet of 12-inch pipe. After adding in engineering costs including services and easements, which came to \$154,000, this produced a subtotal of \$935,000. Being that Spanaway will be taking their pipe down to the Brookdale area, they will be installing a pressure-reducing valve as the District's pressure is around 180 psi, and Spanaway will need to take it down to 80 psi. At the end of the day, the estimate was about \$1.17M including engineering and Spanaway's connection costs. District overhead costs would need to be added.

The General Manager asked for the Board's permission to sign the agreement with Spanaway Water Company. The Board granted the General Manager permission to sign the agreement including the proposed changes from Mr. Johnson.

**BOARD APPROVAL OF REVISED EMPLOYEE HANDBOOK:**

The General Manager presented the revised Employee Handbook to the Board reminding them there had been several changes. District legal counsel, K. Weber with Inslee Best, had reviewed the Handbook four times as well the District's HR consultant, New Era Solutions, the Executive Assistant, the Assistant Office Supervisor, and the General Manager. The entire staff had been given the opportunity to make comments as well. The Board was asked if they had any questions or comments. Once the District's new HR Analyst comes on board, there will not be any more delays in updating the Handbook on an annual basis in the future. Commissioner Barton asked about the

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non-smoking policy and if it was allowable to do that. The General Manager informed him it is an allowable requirement.

The General Manager provided the Board with a Vehicle Usage and Key Responsibility policy that had been included in the updated handbook. This is a new policy and is referenced in the handbook and will be provided to each employee.

The General Manager asked the Board to approve the new Vehicle Usage and Key Responsibility policy as well as the updated Employee Handbook. Commissioner Rediske moved to approve the policy and handbook. Commissioner Barton seconded the motion which carried unanimously.

**GENERAL MANAGER PROJECT UPDATES:**

The General Manager stated he had no other updates.

**SUPERINTENDENT'S REPORT:**

The Superintendent's full, written report was provided to the Board in the pre-agenda packets. In addition to that report, he stated the R&R jobs are moving along well. The 32<sup>nd</sup> Avenue job is wrapping up; paving is being performed today and should be done by the end of the week. Sylvan Park Phase 4 is going along nicely, and the contractor will be paving on or around July 27, a few weeks ahead of schedule. The wholesale transmission booster station is moving along nicely. The crew was taken off for a few days to deal with a few emergencies which had postponed the project by about eight to ten days. The contract will need to be extended by that time to accommodate the loss of time. The District plans to upsize the transformer at the existing booster station.

Parkland Light and Water will need to assist the District; however, they are unable to get the District on their schedule until July 28. Hopeful by mid-August, everything will be up and running at both booster stations. Design is nearing completion on 39<sup>th</sup> Avenue, which is the next and final R&R project for this year and is due to come out later this Fall.

**FINANCE DIRECTOR/OFFICE SUPERVISOR'S REPORT:**

The Finance Director reported the District is getting through its projects, and the cash balances are dropping but are still in good shape. The District has \$14.2 million in its savings account with the Local Government Investment Pool. The larger projects will be completed the end of August.

He also gave a shout out to Senior Accounting Lead, P. Mendoza and Assistant Office Supervisor, T. MacDougall. P. Mendoza had not taken a day of vacation since COVID-19 hit and was scheduled to take a day off the following day. He had been working extremely hard throughout this time. T. MacDougall has done a very good job managing the office and has also had limited time off, so she was scheduled to take a day off the following Friday. He thanked both of them for supporting the District throughout this trying time.

The Assistant Office Supervisor reported the new utility billing software, Caselle, is scheduled to go live August 10, 2020; all office staff are being requested to report to the office that week to be trained on the software. There will three to four trainers from Caselle on site to help staff.

She also gave an update on delinquent accounts with 89 customers on the delinquent list and about 45 having no contact with the District. The staff works very hard at attempting to make contact with all customers. She mentioned the Finance Director had spoken with a representative from Silver Lake Water and Sewer District who have 500 to 600 customers due to be disconnected, showing the District is doing a great job.

The Finance Director mentioned the Senior Accounting Lead had started to put together a draft of the capital costs/actual spent for this year's budget. This will be available at next month's meeting.

**OTHER BUSINES:**

**Board Acknowledgement of Annual Employee Wage Increases**—the Board acknowledged a wage increase for M. Kohler.

**Government Relations Committee Report**—Commissioner Barton stated he would email his report to the Board.

At this time, the General Manager reported District legal counsel, J. Kray, had been working on the final touches of the complaint with Joint Base Lewis McChord which had not been filed as yet but is to be filed sometime that day. Nothing had been sent out to the press at that time. The General Manager will pay close attention to this matter. The media release would be sent out either that evening or the following morning.

Commissioner Barton stated he checked into his public disclosure filing. Their system had been attacked in the same way the Unemployment system has been attacked and had been having problems updating the status of office holders. The problem should be corrected shortly. Commissioner Korsmo stated he had experienced the same difficulties.

With no additional business to address, President Korsmo adjourned the meeting at 5:20 p.m.

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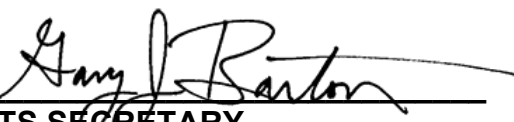
**BY:**

Not Present to Sign  
**ITS PRESIDENT**

**BY:**

  
**ITS VICE PRESIDENT**

**BY:**

  
**ITS SECRETARY**

**ATTEST:**

JLC – for Christie Butler  
**DISTRICT SECRETARY**