

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
Thursday, September 17, 2020**

President Korsmo called the Regular Meeting to order at 3:30 p.m. via Teams. 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; District Secretary C. Butler; Sr. Accounting Lead P. Mendoza; and Assistant Office Supervisor T. MacDougall. New employees B. Levo, L. Nishiko, and L. Robinson and new District General Counsel C. Chambers were introduced to the Board at the beginning of the meeting.

PUBLIC COMMENT:

No members of the public were present.

APPROVAL OF MEETING MINUTES:

Commissioner Rediske moved to approve the minutes of the August 20, 2020 Regular Meeting. Commissioner Barton seconded the motion. Commissioner Korsmo recused himself from the vote due to not having been able to attend the August 20 meeting. The motion carried. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on these approved minutes.

FINANCIAL INFORMATION:

The Sr. Accounting Lead presented the August financials to the Board.

Disbursements made from the General Ledger Fund for check number 42487 through 42637 totaling \$1,590,481.52, salary direct deposits totaling \$186,099.82, payroll taxes totaling \$71,664.33, and other electronic payments totaling \$124,557.87, for a grand total of \$1,972,803.54 were presented to the Board for approval. After review, Commissioner Barton moved to approve the payables as listed. Commissioner Rediske seconded the motion which carried unanimously. The Commissioners individually gave verbal authorization for the use of their electronic signatures on these approved payables.

REQUEST FOR BOARD CONDITIONAL ACCEPTANCE OF COMPLETION FOR THREE PROJECTS:

The Superintendent was invited by the General Manager to present these matters to the Board. He proceeded to respectfully request the Board's conditional acceptance of completion for three projects. If granted, the conditional acceptance will transition to final acceptance of the project pending the final release requirements being met per the contract specifications.

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Wholesale Transmission Main Extension Project—Pacific Civil Infrastructure had completed all the work required under the specifications and reached substantial completion on July 14, 2020, with final project completion on August 4, 2020. The one-year warranty period started on the August 4 final completion date.

Wholesale Transmission Main Extension Booster Pump Station Project—Prospect Construction Inc. had completed all the work required under the specifications and reached substantial completion on August 13, 2020, with final project completion on September 9. The one-year warranty period started on the September 9 final completion date.

Sylvan Park Phase 4 Replacement & Rehabilitation Project—Stafford Excavating had completed all the work required under the specifications and reached substantial completion on August 15, 2020, with final completion on August 25, 2020. The one-year warrantee period started on the August 25 final completion date.

The Superintendent had initially intended to also request conditional acceptance of completion for the 32nd Avenue R&R Project; however, had received a last-minute claim just prior to the meeting.

Commissioner Rediske moved to grant conditional acceptance of completion for the three above-referenced projects. Commission Barton seconded the motion which carried unanimously.

BOARD AWARD OF THE 39TH AVENUE R&R PROJECT:

Eleven bids had been received for this project at the September 9 bid opening held virtually via Teams. One bid was rejected as it was short of the required paperwork. The Engineer's Estimate for the project from design engineer RH2 Engineering was \$1,170,000 with tax. The low bidder was Pape & Sons Construction, Inc. of Gig Harbor at \$1,136,588.87 with tax. The second-low bidder was Strickland & Sons Excavation out of Buckley, Washington at \$1,140,105.35, and the third-low bidder was R.L. Alia Co. out of Renton, Washington at \$1,234,422.63.

The General Manager and Superintendent were very pleased that Pape & Sons was the low bidder, as the contractor has a very positive work history with the District, successfully completing close to a dozen jobs for LWD. The General Manager and Superintendent made the recommendation to the Board of Commissioners to award the 39th Avenue R&R project to Pape & Sons. Commissioner Rediske moved to award the project to Pape & Sons Construction. Commissioner Barton seconded the motion which carried unanimously.

The Superintendent shared with the Board a comment made by large, local contractor Ceccanti Construction. He stated the District is the "Golden Child" for contractors, as they always want to work for the District. Ceccanti said when a contractor works for the

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District, they work with pros and that the District projects are coveted amongst contractors. It's literally unheard of to receive 11 bids for a single project during these days.

WESTERN STATE HOSPITAL UPDATE:

The General Manager stated he and his Executive Assistant were still working on compiling the information for Department of Social and Health Services (DSHS) as it related to the history of the District's purchase of the Western State Tank property (now Philip Tank Site) and the associated easement on Steilacoom Boulevard and a cost estimate for a permanent water connection with Western State Hospital and a second intertie on Steilacoom Boulevard. The pertinent documents had been compiled from years of files and a summary letter was in the process of being drafted. The package of documents and information will be sent to DSHS in the next few days.

In the meantime, the General Manager had received a call from C. Stuckey from the State Department of Health (DOH). She reported she was vigorously pursuing the matter, encouraging the hospital/DSHS to get out of the water business and connect permanently to the District's water system. So much so, DOH is even endeavoring to come up with funds to help DSHS pay for the purchase and installation of the permanent connection and second intertie. The matter will require legislative action which will take time. DOH is asking if the District would be willing to sell water temporarily at the emergency intertie under an agreement such as an Interlocal Agreement with the hospital until such time a permanent water connection, etc., could be finalized. According to DOH, the hospital is one violation away from receiving a corrective order from DOH. The Interlocal Agreement could be instituted between the District and DSHS to facilitate this temporary scenario along with General Facilities charges and all connection costs for the second intertie. Also, included in the agreement would be the hospital/DSHS bearing responsibility for paying for a condition assessment of their current system and any needed improvements before the District would agree to taking over the system. The General Manager also made it very clear to DSHS that the District wanted to be consulted with regard to the scope of work. The Board was in favor of all of the above.

GENERAL MANAGER PROJECT UPDATES:

The General Manager stated that, considering the brevity of time, he had nothing further to report beyond that included in his pre-agenda memo to the Board. He asked if there were any questions; there were none.

SUPERINTENDENT'S REPORT:

The Superintendent's full, written report was provided to the Board in the pre-agenda packets. He offered one update as it related to the District's continued Meter Replacement Program. Three to four hundred (300-400) meters had failed. Instead of

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sending their installer, Concord, out to just replace these failed meters, Sensus is sending Concord out next month to proactively replace all 6800 meters that were in what is believed to be a problematic batch. This will be in addition to the 4,000 meters already replaced.

Commissioner Rediske commented it was great Sensus was being so responsive and responsible.

FINANCE DIRECTOR/OFFICE SUPERVISOR'S REPORT:

The Assistant Office Supervisor reported the staff was in week five of using the new Utility Billing software from Caselle. She stated there were still a few issues to work through but that the Caselle staff was amazing to work with and very responsive. Commissioner Korsmo asked how Caselle training was going for the staff. The training had been going very well with Caselle providing great training via webinars, virtual trainings, and Q&A sessions. Caselle's support and support "bench" have been exemplary.

The delinquent account list had increased to approximately 95 customers, with no contact/response from about 45 of them. The current expiration of the proclamation prohibiting water disconnections is scheduled for October 15. Once the District is allowed to proceed with disconnects again, the first ones will be those of customers the District has reached out to multiple times with no response or contact. The District will continue to make payment plans available and offer every possible courtesy.

The Finance Director asked the Sr. Accounting Lead to present a capital spending report to the Board, summarizing actual year-to-date spending versus budget. A detailed spreadsheet was presented that had been emailed to the Commissioners prior to the meeting.

The IT Manager provided a progress report on the District's program to systematically get approximately 2600 potential noncompliant backflow situations up to compliant standards and testing. The first 27 letters had been sent out with responses so far from approximately 45-50 percent.

OTHER BUSINES:

Board Acknowledgement of Employee Wage Increases—The Board acknowledged annual wage increases for B. Brooks and K. Rounds and an additional promotion adjustment for B. Brooks.

Budget Workshop—the Budget Workshop for the 2021 Budget will be held on Thursday, October 22 commencing at 8:30 a.m. Depending upon Open Public Meetings Act declarations, the meeting will either be held virtually via Teams or in person. The General Manager stated staff will endeavor to keep the workshop within three hours.

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Lawsuit Attorney Budget—District legal counsel J. Kray of Marten Law recently drafted for the Board a follow-up letter to send to District customers with additional information on the District's lawsuit against the federal government as it relates to PFAS. The General Manager, based on input from some Commissioners via individual meetings, had also asked Mr. Kray for the next steps to be taken by legal counsel now that the lawsuit was filed. This was distributed to the Board and protected under attorney-client privilege. Mr. Kray's budget for 2021 expenses and services was still forthcoming.

Government Relations Committee Report—Commissioner Barton reported there was no committee meeting this month due to the annual Fall Conference for the Washington Association of Sewer and Water Districts (WASWD) being held virtually this week and attended by Commissioner Barton and the General Manager. Commissioner Barton provided a brief summary and overview of the conference.

Commissioner Barton brought back to the rest of the Board a question he had mentioned during his last committee report given at the August 20 Commissioner meeting. It had to do with including WASWD's logo and contact information at the bottom of the District's letterhead to write legislators to signify the District is not writing alone but have our State association in the loop and in support of the District's action. This may provide more "weight" or credence to the District's such correspondence. Commissioner Barton asked for a thumbs up or thumbs down. Commissioners Korsmo and Rediske and the General Manager all gave a thumbs up.

District Phone System—Commissioner Barton had brought it to the General Manager's attention that a number of his most recent calls to the District office had been dropped and was concerned about that possibly happening to the District's customers. The General Manager apologized for the inconvenience and asked IT Manager C. Fast if this was a fixable issue. Mr. Fast replied it was indeed a fixable matter that was being addressed and a work-around for staff had already been provided to transfer calls in the meantime.

New General Counsel—The General Manager asked General Counsel Chambers if he had any questions or comment. He said he had none except that it was good to be a part of the District's team.

PUBLIC COMMENT:

There remained no public in attendance.

With no additional business to address, President Korsmo adjourned the meeting at 5:15 p.m.

LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS

BY:



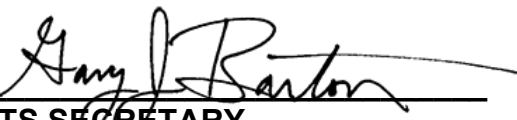
ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

ATTEST:

JLC – for Christie Butler

DISTRICT SECRETARY