

**LAKWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS  
Minutes of Regular Meeting  
Thursday, October 15, 2020**

President Korsmo called the Regular Meeting via Microsoft Teams to order at 3:30 p.m. at the District office. Present at the meeting: Commissioners J. S. Korsmo, Jr., G. J. Rediske, and G. J. Barton; General Manager R. Black; Finance Director D. Logan; Sr. Accounting Lead P. Mendoza; Assistant Office Supervisor T. MacDougall; District Secretary C. Butler; Accounting Specialist II M. Thomas; District financial consultant S. Tarasov of FCS Group.

**PUBLIC COMMENT:**

No members of the public were present.

**APPROVAL OF MEETING MINUTES:**

Commissioner Rediske moved to approve the minutes of the Regular Meeting. Commissioner Barton seconded the motion which carried unanimously. 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 September financials to the Board.

Disbursements made from the General Ledger Fund for check number 42638 through 42766 totaling \$1,432,702.37, salary direct deposits totaling \$202,499.58, payroll taxes totaling \$76,156.97, and other electronic payments totaling \$162,809.84, for a grand

total of \$1,874,168.76 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. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on these approved minutes.

**General Facilities Charge (GFC) Presentation—**

S. Tarasov of FCS Group, along with assistance from the District's accounting team, made a PowerPoint presentation outlining the District's GFC schedule with current numbers and comparison numbers. A GFC is a one-time charge imposed on new development or expanded connection to a water system as a condition of service. The basic theme is "growth pays for growth." Water and sewer districts are granted authority by the Revised Code of Washington (RCW) title 57.08.005 to fix such rates and charges. The District's GFC rates were last modified in 2014 with a three-year phase-in of increased rates over 2015-2017. A schedule of slightly increased GFC rates will be presented to the Board for consideration and adoption at the November 19, 2020 Commissioner Regular Meeting, to go into effect February 1 2021 to afford the District time to notify the City of Lakewood and all developers and owners currently inquiring with the District regarding potential projects.

**BOARD APPROVAL OF PFAS POLICY:**

The General Manager presented a written PFAS policy to be formally adopted by the Board after being outlined and adopted in principal at the August 20 Regular Meeting with the presentation of the District's final PFAS Response Strategy Plan. This plan and policy include adopting the State Department of Health's (DOH) State Advisory Levels (SAL) for PFAS. This will be implemented once enacted by DOH and changes in the District's source supply options made to compensate for the wells that would be impacted by a SAL implementation. This policy will be the guidance for decisions made

by management going forward once the SAL is adopted by DOH. The General Manger recommended the Board formally approve and adopt this PFAS Policy. Commissioner Rediske so moved, Commissioner Barton seconded the motion, and it passed unanimously.

**BOARD APPOINTMENT OF P. MENDOZA TO POSITION OF DISTRICT**

**TREASURER per RESOLUTION NO. B-1269:**

The position of District Treasurer was established by the Board March 20, 1995, and District Finance Director D. Logan has served as Treasurer for the last many years. With Mr. Logan's impending retirement on November 6, and in order to ensure a seamless transition, there are certain procedural requirements for the continuation of the Finance Department and authorization under State law for the District. One requirement is the Board officially naming and appointing someone to the District's office of Treasurer.

The General Manager recommended the appointment of P. Mendoza to the office of Treasurer. In addition to this appointment as Treasurer, he will also be recognized as the District's Finance Director and will require a bond as has always been done for one serving in this office. Bank signature cards will need to be updated along with other housekeeping items to be carried out.

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Commissioner Rediske moved to appointment P. Mendoza to the position of Treasurer, Commissioner Barton seconded the motion, and the motion carried unanimously.

**WESTERN STATE HOSPITAL UPDATE:**

The General Manager stated there was nothing to report supplemental to that which was covered in his memo to the Board except that District staff did get the requested information over to DSHS and cc'd DOH. The District remains in a holding pattern on the matter.

**BOARD DECLARATION OF SURPLUS:**

In accordance with State law and under the guidance of the State Auditor's Office, materials, products, and equipment purchased with public funds no longer usable or needed must be declared as surplus by the Board of Commissioners. A list of items to be declared as surplus, including file cabinets, miscellaneous equipment, and furniture was distributed to and reviewed by the Board. The General Manager recommended the Board declare the listed items as surplus. Commissioner Rediske so moved, Commissioner Barton seconded the motion, and the motion carried unanimously. The items will be sent to the State auction services allowing anyone from the public to bid on the items.

**BOARD AWARD OF WASHINGTON TANK PAINTING PROJECT:**

Seven bids were received for this project at the virtual bid opening held at 10 a.m. October 15, 2020. The low bidder was Long Painting Company at \$537,960.50 with

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tax; the second low bidder was S&K Painting, Inc. at \$562,688.00; and the third low bidder was Industrial Coatings Unlimited at \$569,831.50. Long Painting has completed a good deal of work for the District over the years; however, legal checks were still being performed to do due diligence to the bidding process. The General Manager recommended the Board conditionally award the project pending the results from the legal checks. Commissioner Rediske so moved, Commissioner Barton seconded the motion, and the motion passed unanimously.

**RECEIPT OF FEMA GRAND FUNDS:**

The District received word from FEMA that a grant in the amount of \$1,065,000 was being approved for the District. Net grant funds from FEMA would be received in the amount of \$945,000 plus \$120,000 as the District's 12.5 percent portion. These funds will be used for seismic improvements at five well sites and to buy five generators. This is a 14-month grant, so the project needs to be paid for by April 1, 2022.

The General Manager also shared the District had recently received word from City of Lakewood City Manager J. Caulfield that funds could be made available to the District out of funds to be received by the City of Lakewood via the Cares Act. Any monies received by the District would only be able to be used to assist District customers that have been impacted by COVID-19. The General Manager thanked the Sr. Accounting Lead, Finance Director, and Assistant Office Supervisor for compiling and completing the application process with Pierce County. If a third party is needed for distribution of

funds to customers in need, the District may work with LASA as it does with its Customer Assistance Program (CAP).

**GENERAL MANAGER PROJECT UPDATES:**

Due to the brevity of time, the General Manager stated he had nothing further he needed to report beyond that recorded in his memo to the Board. He asked the Board if there were any questions. With none, the meeting proceeded.

**SUPERINTENDENT'S REPORT:**

The Superintendent's full, written report was provided to the Board in the pre-agenda packets. The Superintendent was on vacation and not in attendance to offer any supplemental report. Commissioner Korsmo questioned the number of disconnects listed on the written report. The Assistant Office Supervisor indicated this may have been old information that failed to get updated. The District had averaged 150 delinquent customer accounts, presently 157. This is significantly lower than most other utilities.

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

The Assistant Office Supervisor reported things with Caselle were going pretty well. Work was still in process in the area of refund checks, hopefully to be resolved the next day.

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The Governor's proclamation regarding delinquent fees, charges, and disconnections was extended to December 31, 2020. The Governor is reported to be releasing a second round of Cares funds.

This was the Finance Director, D. Logan's last Commissioner meeting with his last day at the office being Friday, November 6 and retirement festivities occurring that day. All three Commissioners and the General Manager took an opportunity to thank, commend, and praise Mr. Logan for his committed loyalty to and passion for the District, its staff, and customers; also for the absolute trust that could be placed in him to watch over the District's financial strength and wellbeing; and to the impacts his tenure and leadership had had on the culture at the District. He stated his successors were well equipped to carry his responsibilities for the District to the next level. Mr. Logan is leaving behind some very large shoes. He was confident they will be well filled.

**OTHER BUSINES:**

**Board Acknowledgement of Employee Wage Increases**—the Board acknowledged employee wage increases for R. Bowen, K. Lawson, E. Schwind, T. MacDougall, and P. Mendoza.

**Government Relations Committee Report**—Commissioner Barton presented a summary report on the most recent Government Relations Committee meeting.

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**Budget Workshop**—The Budget Workshop is scheduled for Thursday, October 22 commencing at 8:30 a.m.

**Temporary Increase of Water Utility Worker III Salary Range**—In light of a pending bi-annual salary and benefit comparison study in process, the General Manager requested the Board approve a temporary increase to the District's Water Utility Worker III position salary range in the amount of \$210 so as to be able to afford one of the District's lead WUW III/equipment operator with the very much deserved maximum increase percentage. This employee has proven to be a huge asset to the District. The Board concurred and approved the temporary increase.

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

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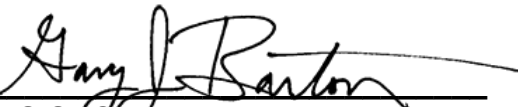
BY:

  
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ITS PRESIDENT

BY:

  
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ITS VICE PRESIDENT

BY:

  
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ITS SECRETARY

ATTEST:

JLC – for Christie Butler  
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DISTRICT SECRETARY