

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
Thursday February, 18, 2021**

President Korsmo called the Regular Meeting to order at 3:30 p.m. via Microsoft 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 P. Mendoza; Office Supervisor T. MacDougall; IT Manager C. Fast; District Secretary C. Butler; District General Counsel C. Chambers; and customer A. Bolotov.

PUBLIC COMMENT:

Ms. Bolotov requested the Board waive a recent after-hours water turn-on fee. The District has a policy whereby a customer requesting a water turn-on or turn-off after hours will be charged a fee of \$105. This is to at least partially offset the cost to the District to send the on-call personnel out to perform the service at time and a half or double time. Ms. Bolotov asked the Board to waive the recent \$105 after-hours water turn-on fee for a water turn-on performed on December 26 after initially calling for said turn-on at 11:42 p.m. the previous day. Either day/time would have been after hours as the 25th was a holiday and the 26th a Saturday. Ms. Bolotov said they had just moved into the area from Tacoma and did not receive their keys until the morning of December 24. The office was open for business with normal business hours on December 24, but no call was made or received to request a water turn-on.

The Board stated a decision would be made and presented at the time of the Public Comment time at the conclusion of the meeting, and the General Manager would contact Ms. Bolotov the next day with the information.

APPROVAL OF MEETING MINUTES:

Commissioner Rediske moved to approve the minutes of the January 21, 2021 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 Finance Director presented the December 2020 and January 2021 financials to the Board.

Disbursements made from the General Ledger Fund for check number 43193 through 43302 totaling \$772,707.70, salary direct deposits totaling \$199,552.59, payroll taxes totaling \$76,623.90, and other electronic payments totaling \$153,157.42, for a grand total of \$1,202,041.61 were presented to the Board for approval. After review, Commissioner Korsmo moved to approve the payables as listed. Commissioner Rediske seconded the motion which carried unanimously. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on the approved payables.

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EXECUTIVE SESSION per RCW 42.30.110(1)(i)(ii)(iii), POTENTIAL LITIGATION:

President Korsmo called for a 20-minute Executive Session at 5:10 p.m. At 5:30 p.m., the Executive Session concluded, the open public meeting resumed, and President Korsmo called for another 5-minutes Executive Session. At 5:35 p.m., the Executive Session concluded, and the open public meeting continued.

The General Manger, in conjunction with District General Counsel C. Chambers, recommended the following:

1. terminating the District's two contracts with billing vendor Automatic Funds Transfer Services (AFTS) due to breach of contract by providing no cyber security coverage of the District's or District customers' information;
2. notifying AFTS of this action via letter emailed to them with a hard copy following in USPS mail;
3. sending a letter to all customers to notify them of the breach and potential compromise of their billing information and, in some cases, scanned copies of payments made via paper checks; and
4. compiling an RFP (Request for Proposal) to search for a new billing vendor.

Commissioner Barton so moved, and Commissioner Rediske seconded the motion which carried unanimously. General Counsel Chambers excused himself from the meeting at that time.

BOARD AWARD OF G-3 GAC FILTRATION EQUIPMENT PURCHASE PROJECT:

Four bids were received for this project, to prepurchase Granular Activated Carbon (GAC) filtration vessels and media for the G-1 and G-2 Wells at the Scott Wellsite. The project bids consisted of two schedules: Schedule A for the GAC vessels and Schedule B for the media. The low, responsive bidder for Schedule A was TIGG, LLC out of Oakdale, Pennsylvania at \$983,605.02. The second lowest bidder for Schedule A was Calgon Carbon also out of Pennsylvania at \$1,248,405.75, and the third lowest bidder for Schedule A was Loprest at \$1,304,990.00 Only two of the four bidders bid Schedule B, Calgon Carbon at \$573,191.36 and Aqueous Vets at \$419,588.09. Aqueous Vets' bid was unresponsive, however, due to not meeting the required specifications and did not include the re-activation component.

The General Manager and Superintendent recommended the Board award Schedule A to TIGG, LLC and Schedule B to Calgon Carbon. Commissioner Barton so moved, and Commissioner Rediske seconded the motion which carried unanimously.

BOARD APPROVAL OF ADDITIONAL EMPLOYEE HANDBOOK UPDATES:

There were three areas of the Employee Handbook presented for housekeeping updates—the District's performance evaluation schedule and format, Introductory Period, and Equal Employment Opportunity Statement (EEOS). The District has moved from an annual performance review to four quarterly reviews to provide more frequent opportunities for the employee and the supervisor to discuss expectations, goals, clarify job responsibilities, and explore possibilities for improving performance. These check-ins also provide the employee the opportunity to address employment-related issues.

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The Introductory Period language was simply updated to coincide with and reflect the new performance evaluation process. The District's Equal Employment Opportunity Statement was updated to bring it into compliance with a change in Washington State law to include the addition of citizenship and immigration status and traits historically perceived to be associated with race, including but not limited to hair texture and protected hairstyles, to the list of protected statuses.

BOARD APPROVAL OF 2020 WRITE-OFFS:

The Office Supervisor presented to the Board a list of miscellaneous accounts receivable write-offs for 2020 to be approved. They included the following:

- Small-balance write-off \$ 97.96
- Collection write-offs 2019 \$ 640.87
- 50% lead adjustments \$3,293.24
- Meter leak adjustments \$5,372.45
- Miscellaneous adjustments \$1,190.16

After review, Commissioner Rediske moved to approve the 2020 write-offs as presented. Commissioner Barton seconded the motion which carried unanimously.

BOARD APPROVAL OF SURPLUS MATERIAL TO BE RECYCLED:

The General Manager presented a list of old pipe fittings and materials no longer of any use and requested the Board approve this list be declared as surplus and recycled for scrap. Commissioner Rediske so moved, and Commissioner Barton seconded the motion which carried unanimously.

REQUEST FOR BOARD AWARD OF CONDITIONAL ACCEPTANCE OF COMPLETION FOR THE NEW NYANZA TANK AND 39TH AVENUE R&R PROJECTS:

The General Manager presented to the Board two memos from Superintendent Black requesting the Board's Conditional Acceptance of Completion for these two projects, pending final completion once all final documents are received from the State. Commissioner Korsmo moved to grant Conditional Acceptance of Completion for both projects. Commissioner Rediske seconded the motion which carried unanimously.

GENERAL MANAGER PROJECT UPDATES:

The General Manager stated he had nothing substantive to add beyond what was communicated in his pre-agenda memo to the Board. On the Western State Hospital subject, he did reiterate from his memo an overview of the virtual meeting held on February 9 with the District, State Department of Health (DOH), Western State Hospital/Department of Social and Health Services (DSHS), RH2 Engineering, and the hospital's engineering contractor, BHU Engineers to discuss the scope of work for the condition assessment. He stated the District will need to watch closely this engineering firm and its website as they do not specialize in water or even normally do that type of work. The General Manager had a subsequent conversation with DOH and emphasized the importance of DOH sitting down with the DSHS and the engineer and making clear the level of standards and specifications this condition assessment will be

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held to. The last time the hospital had a Comprehensive Water System Plan was in 1979, with very little record and their only certified operator (with years of institutional knowledge) retiring today [2/18/2021]. The individual from DSHS at the meeting have little to no knowledge or experience in water.

SUPERINTENDENT'S REPORT:

The Superintendent's full, written report was provided to the Board in the pre-agenda packets. Costly charges have been added to the District's 108th Crossing Project (for the GAC/Scott Wellsite Project) due to the City's permitting processing/timing and not being willing to close 108th during the day. Therefore, work has to be done at night and over one weekend, requiring two crews and overtime hours/work, driving the cost up approximately some \$123K at this point. However, the District has to stay ahead of the City's April overlay project on 108th to avoid penalty for transgressing the City's 5-year new pavement moratorium. On the Pumping and Water Treatment side, three pumps and motors have already failed this year and had to be replaced that were not expected or budgeted for.

Commissioner Rediske asked if the District was proceeding with requesting public information from the City in its legal pursuits regarding the 50/50 payment in projects that include moving District infrastructure for the installation of City new storm or sewer facilities. The District was holding off on this step of requesting public information from the City in light of fostering good relations on the 108th Crossing Project but apparently to no avail.

Part of Scott Wellsite project includes increasing the size of the pipe going out of the wellsite to hook up to the 108th Crossing and increase flow for wholesale water.

OFFICE SUPERVISOR'S REPORT:

The Office Supervisor reported delinquent accounts were up to 155. Some applications for CARES funding have been received.

OTHER BUSINES:

Board Acknowledgement of Employee Wage Increases—the Board acknowledged employee wage increases for S. Bosma, B. Davison, M. Golden, K. Lawson, and L. Robinson.

Identify Protection for All Staff—the General Manager was pleased to report 100 percent participation of the staff in accepting Identify Protection in light of the recent breach of the State Auditor's Office system and possible compromise of employee personal information. It was discovered the District's property and liability insurance will cover the protection coverage premiums.

Government Relations Committee Meeting Summary—Commissioner Barton provided a summary of the recent Government Relations Committee meeting, highlighting a number of bills that, if passed, would directly or indirectly affect the

District. At this point, it does not look like any of this legislation is likely to move through the legislative session.

PUBLIC COMMENT:

After considerable discussion and consideration, the Board determined it did not have any solid, justifiable cause to veer from its after-hours water turn-on/off policy, stating it is paramount to be consistent so as to be equitable, honest, and fair to all ratepayers. Commissioner Rediske elaborated by stating the District's required compliance with RCW law and the State Auditor's Office on the subject of prohibited gifting of public funds leaves the Board little leeway in making policy exceptions out of kindness or any compromise of integrity or moral ethic. The Board did direct the General Manager to arrange a payment plan to help Ms. Bolotov pay the \$105 after-hours water turn-on fee and to notify Ms. Bolotov of the decision to hold to District policy especially when service could have been obtained without fee if a call had been made to the District the day the Bolotovs acquired the key to their new home. Commissioner Rediske therefore moved to decline the customer's request to waive the \$105 after-hours water turn-on fee. Commissioner Korsmo seconded the motion which carried unanimously.

Board Approval of an Engineer Manager Position, Job Description, and Salary Range—the General Manager had previously distributed to the members of the Board a draft copy of a job description and salary range for a position new to the District, that of Engineer Manager. The job description was drafted by HR Consultant C. Roberts who has also been mentoring District HR Analyst B. Levo.

The District's part-time Consulting Engineer of 12 years, C. Gibson, is wanting to retire this year. This new position would provide the District a full-time engineer with a broader range of expertise and could take on more of the engineering and project work and lighten the workload for the likes of the Superintendent to afford him more time to take in vacation and also provide help and support such that the General Manager could actually go on vacation instead of working a portion of it each time and still know everything was in good hands and being well covered.

If the Board approves this position, the job description, and salary range, the District HR Analyst will proceed with publishing an advertisement to invite applications and resumes around the first of March. President Korsmo will serve on the interview panel for this position.

Commissioner Barton expressed concern as it related to the Superintendent's level of comfortability with the new position. While people seldom volunteer for or necessarily in favor of change, the General Manager had talked with the Superintendent a number of times, and the Superintendent was acceptant of the matter. The more important value was that which is in the best interest of the District first and foremost. As the Board and General Manager make solid, grounded, well-thought-through decisions for that which is best for the District, the positive domino effect will be there for staff, customers, vendors, and all concerned.

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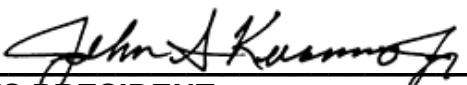
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After much discussion, Commissioner Barton moved to approve the new Engineer Manager position and the corresponding job description and salary range. Commissioner Rediske seconded the motion which carried unanimously.

With no additional business to address, President Korsmo adjourned the meeting at 5:50 p.m.

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



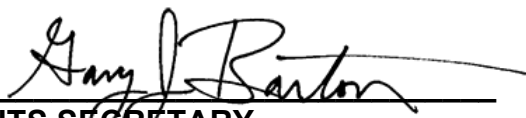
ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

ATTEST:

JLC – for Christie Butler

DISTRICT SECRETARY