

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
Thursday, May 20, 2021**

President Korsmo called the Regular Meeting to order at 3:39 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; Engineering Manager M. Meyer, HR Analyst B. Levo, Accountant M. Thomas, and District financial consultant A. Sanchez of FCS Group.

PUBLIC COMMENT:

No members of the public were present.

APPROVAL OF MEETING MINUTES:

Commissioner Barton moved to approve the minutes of the April 15, 2021, Regular Meeting. Commissioner Rediske 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 May financials to the Board.

Disbursements made from the General Ledger Fund for check number 43555 through 43719 totaling \$1,442,552.47, salary direct deposits totaling \$185,025.02, payroll taxes totaling \$71,341.60, and other electronic payments totaling \$210,586.66, for a grand total of \$1,909,505.75 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. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on these approved payables.

WHOLESALE REVENUE OPTIONS—FCSG:

Ms. Sanchez, Principal at FCS Group, and the District's Finance Director presented an overview of options to the Commissioners, including the general impacts to rates as it relates to where to direct revenues from wholesale water. Commissioner Barton would like to see options that split revenues between rate control and debt service. Commissioner Rediske would like to see a portion continue to go toward rate control. Commissioner Korsmo would like to see a split between rate control and funding for source and supply. The General Manager committed to circling back with information on

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the question regarding the rate model and how capital is funded. The topic was tabled and left open for the Commissioners to discuss with staff offline and ask questions in preparation for the June 24 Special Meeting.

DISTRICT ORGANIZATIONAL MATTERS:

The District has been operating for many years with senior management divided into two main groups: 1) Field Staff, except for GIS and Cross Connection, under the direction of the Superintendent; and 2) Office Staff, including Customer Service, Billing, Finance, GIS, and Cross Connection, under the direction of the Finance Director. The District has changed over time how it utilizes management staff, and the General Manager has given decision-making responsibility to each manager over their individual departments to make the best use of their expertise and operate in the best interest of District staff and customers.

The General Manager recommended title changes for the Finance Director, Superintendent, and Office Supervisor. The General Manager also recommended changes to the District's organizational chart to accurately reflect the authority structure and to divide the supervision of the field operations staff into two groups: Operations and Maintenance, led by the Operations Manager (formerly known as Superintendent) and Pumping and Water Treatment, led by the Engineering Manager.

Commissioner Barton moved to table the discussion until the June Meeting. Commissioner Korsmo seconded the motion which carried unanimously.

DISTRICT SUCCESSION PLAN UPDATE:

The succession plan update is also tabled until the June meeting due to the previous motion to table.

BOARD CONDITIONAL ACCEPTANCE OF COMPLETION—108TH STREET CROSSING AT HALCYON AND ROWLAND:

The Superintendent recommended Board conditional acceptance of completion for work performed by Pacific Civil & Infrastructure, Inc. (PCI) on the installation of two crossings ahead of the City's street-overlay project. PCI performed very well, and the District is pleased with the results. Commissioner Rediske moved to grant conditional acceptance of completion. Commissioner Barton seconded the motion which carried unanimously.

GENERAL MANAGER PROJECT UPDATES

9/80s

The District began a trial 9/80s schedule on May 3 and continues to work through various components of the new schedule. The staff remains committed to the success of the trial.

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Spanaway Water Connection

The General Manager reported the highlights of the projects listed in the General Manager Project Update.

Western State Hospital

The General Manager reported the highlights of the projects listed in the General Manager Project Update.

Scott G-3 New Well and Iron and Manganese and GAC Filtration

The General Manager reported the Legislature approved the grant funding for Scott Well site in the amount of \$5.56 million for the GAC filtration system. The funds will be administered through the State Department of Health. The District will be advertising the project on the 25th of May with the bid opening mid-June.

PFAS Update

The General Manager reported the District has successfully been working with Senator Murray's office regarding PFAS known to be coming from JBLM. The Senate officially opened an Appropriations and Congressionally Directed Spending Process, and Senator Murray's office is now taking requests for funding. The cap is \$2,500,000 and although the Senator's office cannot guarantee the funds will be available to the District, there is a good chance. The District submitted an application and would potentially use funds for two new wells to offset the closure of PFAS-contaminated wells.

Water Utility Worker I

The General Manager reported the highlights of the projects listed in the General Manager Project Update.

SUPERINTENDENT'S REPORT:

The Superintendent's full, written report was provided to the Board in the pre-agenda packets. The Superintendent reported the highlights on the following topics: upcoming bids, supplier challenges, and flushing crew updates.

OFFICE SUPERVISOR'S REPORT:

The Office Supervisor reported on disconnects. The current number is 156 and has remained unchanged for several months. The District has received applications for CARES funding from 16 ratepayers. Six have been approved for a total of approximately \$2,000.

OTHER BUSINESS:

There will be a Special Board Meeting on June 8, 2021 at 8:30 a.m. to award the 39th Avenue R&R project, Phases 2 & 3. The regularly scheduled June 17 Commissioners' meeting has been moved to June 24, 2021 at 8:30 a.m..

The Board acknowledged staff increases as presented.

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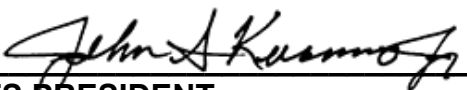
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Commissioner Barton shared legislative highlights from the Government Relations Committee.

With no additional business to address, President Korsmo adjourned the meeting at 5:37 p.m.

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



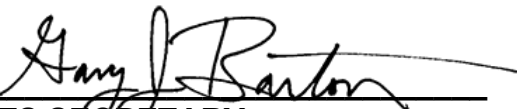
ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

ATTEST:

JLC – for Christie Butler

DISTRICT SECRETARY