

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Special Meeting
Thursday, June 24, 2021**

President Korsmo called the Special Meeting to order at 08:30 a.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, guests C. Chambers, S. Bauer, L. Marchisio (filling in for M. Greenough), and J. Kray.

PUBLIC COMMENT:

No members of the public were present.

APPROVAL OF MEETING MINUTES:

Commissioner Rediske moved to approve the minutes of the May 20, 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 June financials to the Board.

Disbursements made from the General Ledger Fund for check number 43720 through 43874 totaling \$1,115,320.72, salary direct deposits totaling \$188,026.54, payroll taxes totaling \$71,851.13, and other electronic payments totaling \$2,042,702.75, for a grand total of \$3,417,901.14 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 payables.

BOND RESOLUTION APPROVAL B-1469 WITH M. GREENOUGH, BOND COUNCIL AND S. BAUER OF NORTHWEST MUNICIPAL ADVISORS WHOLESALE

The District presented the Commissioners with bond resolution B-1469 of \$9 million and a recommendation to refund the remaining \$1.9 million balance of the 2016 bond to Heritage Bank. The District would then obtain a better interest rate for our customers by reissuing the bond via bond market. The savings is currently projected to be \$47,000. S. Baur of Northwest Municipal Advisors laid out the timeframe for the bond issuance, with a closing date of August 12th. He also shared that the demand for municipal bonds is high and the District's high bond rating further increases the demand. L. Marchisio from Foster

Garvey, filling in for M. Greenough, provided highlights of the bond resolution. The Finance Director added information about rate modeling and shared that the grant funding for the GAC system allows the District to lower borrowing costs and should reduce the debt issued in 2023. Commissioner Barton moved to support Resolution B-1469. Commissioner Rediske seconded the motion which carried unanimously. Each Commissioner individually gave verbal authorization for the use of their electronic signatures on Resolution B-1469.

EXECUTIVE SESSION PER RCW 42.30.110(1)(i) PFAS LAWSUIT UPDATE WITH ATTORNEY J. KRAY

President Korsmo called for a 30-minute Executive Session at 9:15 A.M. for the purpose of discussing with legal counsel updates to the PFAS lawsuit. The Executive Session concluded at 9:45 A.M.

DISTRICT ORGANIZATIONAL RECOMMENDATION

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 Rediske moved to approve the changes to the District organization as presented. Commissioner Barton seconded the motion which carried unanimously.

DISTRICT SUCCESSION PLAN UPDATE

The General Manager presented minor changes to the succession plan, including the addition of two positions – HR Analyst and Engineering Manager – and the recharacterization of the importance of positions. The General Manager also noted that the District will have three (3) retirements within the next three (3) years.

The Board of Commissioners acknowledged the succession plan as presented.

BOARD APPROVAL AND AWARD OF THE LOW BIDDER FOR NEW WELL R-2 AT 112TH ST WELL SITE

The General Manager reported that the District received two (2) bids on the new well R-2 at 112th St well site, with Holt Services as the low bidder. Holt did the work on G-3

over at Scott well site and has done other projects for the District. The Superintendent presented additional information on the bidders. He highlighted that the Holt bid came in below the Engineer's estimate.

President Korsmo requested that the District communicate with the racquet club on the R-2 site modifications.

Commissioner Rediske moved to award the new R-2 well project to Holt Services. President Korsmo seconded the motion which carried unanimously.

BOARD APPROVAL AND AWARD OF THE LOWEST RESPONSIBLE BIDDER FOR CONSTRUCTION AT SCOTT WELL SITE

The General Manager presented information on the bid opening, including the delay in the original schedule and that the District received seven (7) total bids for this project. He shared that the low bidder, Ceccanti, Inc. has limited experience in projects of this complexity with the most recent being 10 years ago. The District conferred with council for recommendations. Upon receiving positive references and in consideration of the financial resources Ceccanti, Inc. possesses, the District would like to move forward with the understanding that more oversight or involvement with the project may be required, including additional involvement from Kennedy Jenks. The Superintendent reported that the Ceccanti, Inc. bid was below the Engineer's estimate and below our budget, netting a significant savings to the District. The District feels comfortable that the bid covers all of same items as the higher bids and recommends the project be awarded to Ceccanti, Inc.

Commissioner Rediske moved to approve and award the construction project at Scott well site to the low bidder, Ceccanti, Inc. Commissioner Barton seconded the motion which carried unanimously.

GENERAL MANAGER PROJECT UPDATES

9/80s

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

Spanaway Water Connection

The General Manager shared information regarding the amendment to increase Spanaway Water's total secured water from 1.0 mgd to 2.0 mgd. He requested and was granted authorization from the Board to send a draft to Spanaway Water. A copy will be provided to the Board by Friday.

Western State Hospital

The General Manager reported on the opportunity the District had to participate in the selection process for a consultant to evaluate Western State Hospital's current water system. The Superintendent was designated as the District representative and reviewed six (6) proposals. RH2 Engineers was selected by the hospital. The District is pleased

with this development, as RH2 is familiar with the District's system and has in-depth experience and resources available.

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

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

PFAS Update

The General Manager presented information on the grant money from Senator Murray's office. The District received some additional questions concerning the intended use of these potential funds. The District would like to have both the new R-2 and G-4 wells funded by this grant. Although not official, the Senator's office feels the District has a strong application. The District is also waiting to hear if expenses that are already outlaid for these projects can be applied to the 20% the District is required to contribute.

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: the 39th St Phase II and III projects, the Gravelly Lake project, and Scott treatment project. He also noted that some of the projects will spill over into 2022.

OFFICE SUPERVISOR'S REPORT:

The Office Supervisor reported on disconnects, which total 166. The District is waiting to see if the moratorium on utility disconnects will be extended. The District has approved six (6) CARES funding applications. Pending the reopening of the State, the lobby will be reopening to customers. Social distancing measures and mask requirements for unvaccinated customers will be put into place. Staff will be returning full-time to the office, with remote work available in certain situations.

OTHER BUSINESS:

The Board acknowledged staff increases as presented.

The General Manager presented information on the recently adopted State and Federal holiday Juneteenth (June 19). He reported that in a WASWD survey, our peers are unanimously adopting Juneteenth as part of their holiday schedule. The General Manager recommended that the Board adopt Juneteenth as a District-paid holiday. President Korsmo moved to approve the adoption of the holiday. Commissioner Barton seconded the motion which carried unanimously.

Commissioner Barton shared legislative highlights from the Government Relations Committee, including information on utility shutoffs, committee discussion on utility taxes, the utilization of funds, and franchise limitations. The Commissioner also shared that he will be working to get utility workers classified as essential during emergency situations like the COVID-19 pandemic.

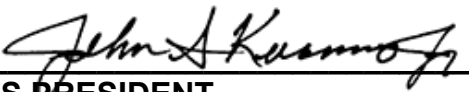
The General Manager shared information on a letter from a citizen regarding Carp Lake and requested and received Board approval to respond to the letter on behalf of the Commissioners.

The next regularly scheduled Commissioner's meeting will be on July 15.

With no additional business to address, President Korsmo adjourned the meeting at 10:34 A.M.

**LAKEWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:



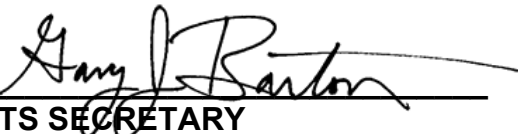
ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

ATTEST:

JLC – for Christie Butler

DISTRICT SECRETARY