

**Special Meeting of the Board of Commissioners**  
**Thursday, June 24, 2021—8:30 a.m.**  
**via Microsoft Teams Meeting**

**Agenda**

1. Call to Order
2. Attendance
3. Public Comment
4. Approval of Meeting Minutes of the May 20, 2021 (*BOC electronic signature authorizations*)
5. Financials
  - a. Finance Director's Report
  - b. Board Approval of Payables (*BOC electronic signature authorizations*)
6. Bond Resolutions Approval B-1469 with M. Greenough from Foster Garvey and S. Bauer from Northwest Municipal Advisors
7. Executive Session per RCW 42.30.110(1)(i), Lawsuit Update with Attorney J. Kray
8. District Organizational Matters
  - a. Organizational Structure Change
  - b. Organizational Chart Revision
9. District Succession Plan Update
10. Board Approval of the Low Bidder for New Well R-2 at 112<sup>th</sup> Street Well Site
11. Board Approval and Award of the General Contractor for Scott Well Site
12. General Manager Project Updates
13. Superintendent's Report
14. Office Supervisor Report
15. Other Business
  - a. Employee wage increases for M. Thomas and K. Wyckoff
  - b. Government Relations Committee Report—Commissioner Barton
16. Public Comment

**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—108<sup>TH</sup> 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 Wellsite 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 25<sup>th</sup> 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 39<sup>th</sup> 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.

**Board of Commissioners' Meeting Minutes**

**May 20, 2021**

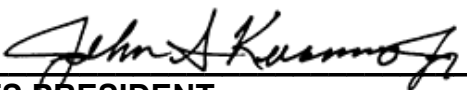
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Commissioner Barton shared legislative highlights from the Government Relations Committee.

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

**LAKWOOD WATER DISTRICT  
BOARD OF COMMISSIONERS**

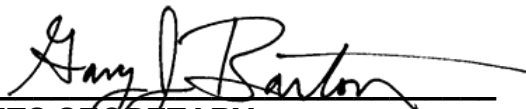
**BY:**

  
\_\_\_\_\_  
**ITS PRESIDENT**

**BY:**

  
\_\_\_\_\_  
**ITS VICE PRESIDENT**

**BY:**

  
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**ITS SECRETARY**

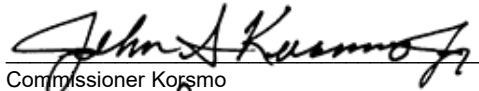
**ATTEST:**

JLC – for Christie Butler  
\_\_\_\_\_  
**DISTRICT SECRETARY**

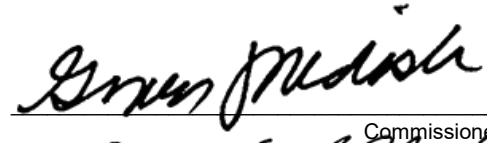
**LAKEWOOD WATER DISTRICT**  
**2021**  
**INCOME STATEMENT**

MAY	CUR MO ACTUAL	CUR MO BUDGET	CUR MO VARIANCE	Y-T-D ACTUAL	Y-T-D BUDGET	Y-T-D VARIANCE
SALE OF WATER	605,714	575,270	30,444	3,119,808	3,034,234	85,574
OTHER OPERATING REVENUE	87,962	132,869	(44,907)	436,284	548,778	(112,494)
WHOLESALE WATER SALES	369,018	394,526	(25,508)	1,810,807	1,855,942	(45,135)
<b>TOTAL OPERATING REVENUE</b>	<b>1,062,695</b>	<b>1,102,666</b>	<b>(39,971)</b>	<b>5,366,899</b>	<b>5,438,954</b>	<b>(72,055)</b>
<b>OPERATING EXPENSE</b>						
PUMPING	71,002	97,231	(26,229)	408,649	464,952	(56,303)
WATER TREATMENT	20,660	36,782	(16,122)	167,737	183,911	(16,173)
TRANSMISSION & DISTRIBUTION	86,619	94,847	(8,228)	441,134	474,236	(33,102)
CUSTOMER ACCOUNTS	56,337	63,555	(7,218)	305,192	317,775	(12,582)
CUSTOMER INFORMATION	720	1,572	(852)	1,365	7,860	(6,495)
ADMINISTRATIVE & GENERAL	198,779	196,690	2,089	1,051,226	1,015,450	35,776
<b>TOTAL OPERATING EXPENSE</b>	<b>434,117</b>	<b>490,677</b>	<b>(56,560)</b>	<b>2,375,303</b>	<b>2,464,183</b>	<b>(88,880)</b>
<b>MAINTENANCE EXPENSE</b>						
SOURCE OF SUPPLY	1,972	2,067	(94)	9,337	10,333	(996)
PUMPING	11,144	21,405	(10,261)	94,449	107,025	(12,576)
WATER TREATMENT	7,968	14,383	(6,415)	42,284	71,915	(29,631)
TRANSMISSION & DISTRIBUTION	83,480	85,482	(2,002)	431,010	427,410	3,599
ADMINISTRATIVE & GENERAL	20,892	19,840	1,051	157,202	99,202	57,999
<b>SUB-TOTAL</b>	<b>125,456</b>	<b>143,177</b>	<b>(17,721)</b>	<b>734,281</b>	<b>715,885</b>	<b>18,396</b>
DEPRECIATION EXPENSE	226,083	226,083	(0)	1,130,415	1,130,417	(2)
UTILITY EXCISE TAXES	38,353	39,595	(1,242)	174,737	180,405	(5,668)
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>389,892</b>	<b>408,856</b>	<b>(18,964)</b>	<b>2,039,434</b>	<b>2,026,708</b>	<b>12,726</b>
<b>TOTAL OPERATING &amp; MAINT EXPENSE</b>	<b>824,009</b>	<b>899,532</b>	<b>(75,523)</b>	<b>4,414,737</b>	<b>4,490,891</b>	<b>(76,154)</b>
<b>NET OPERATING REVENUE</b>	<b>238,685</b>	<b>203,133</b>	<b>35,552</b>	<b>952,162</b>	<b>948,063</b>	<b>4,099</b>
GAIN (LOSS) ON DISP. OF PROPERTY	-	-	-	37,405	-	37,405
RENTAL OR LEASE INCOME	1,310	1,350	(40)	4,025	6,750	(2,725)
INTEREST INCOME	622	1,160	(538)	5,034	5,800	(766)
INTEREST L-T DEBT	(165,534)	(164,694)	(840)	(827,669)	(823,468)	(4,201)
DEBT ISSUANCE COSTS	-	-	-	-	-	-
<b>TOTAL MISC INCOME/EXPENSE</b>	<b>(163,602)</b>	<b>(162,184)</b>	<b>(1,419)</b>	<b>(781,206)</b>	<b>(810,918)</b>	<b>29,713</b>
<b>NET INCOME</b>	<b>75,083</b>	<b>40,949</b>	<b>34,134</b>	<b>170,956</b>	<b>137,145</b>	<b>33,811</b>

We, the undersigned Board of Commissioners of the Lakewood Water District  
Pierce County, Washington, do hereby certify that the merchandise or services  
hereinafter specified have been received and checks numbering 43720 through  
43874 and all electronic payments for this period are hereby approved for payment in the sum of  
\$3,417,901.14 this 24th day of June 2021

  
Commissioner Korsmo

  
Commissioner Barton

  
Commissioner Rediske

  
General Manager

Check no.	Vendor Name	Payment Description	Amount
43720	ADT COMMERCIAL- PROTECTION ONE	12/20-04/21 Monitoring Services- Office & Grounds	8,234.23
43721	AIRGAS USA LLC	Acetylene Rental	16.49
43722	AUTOMATIC FUNDS TRANSFER	Pieces of Returned Billing Stock	302.09
43723	BILL CLARKE ATTORNEY	04/21- Washington State Legislative Costs	3,500.00
43724	BLAKES BACKFLOW SERVICE	(137) Backflow Tests	2,287.90
43725	BUD CLARY FORD HYUNDAI	2020 Ford F150 4x4 Truck	37,131.60
43726	CASELLE	Implementation Milestone Payment - GL	37,253.04
43727	CDW GOVERNMENT	Adobe Acrobat & Azure Charges	9,342.20
43728	CENTURYLINK	Internet Srvs- 3 Sites	243.25
43729	CINTAS CORPORATION #461	Weekly Srv- 05/05/2021	182.27
43730	CLASSY CHASSIS	Trk# 61- Exterior Wash	9.00
43731	COMCAST	Internet Srvs- 1 Site	110.18
43732	CONFLUENCE ENGINEER GROUP	04/21- PFAS Response	7,072.00
43733	CONSOLIDATED SUPPLY CO	(3) MJ 45 Degree Ells	281.35
43734	DEPARTMENT OF COMMERCE	PWTF Loan Pmts #1 & 2- Principal & Interest	85,384.74
43735	DEPARTMENT OF HEALTH	G-3 Well Review & Approval Report	2,922.00
43736	DERRICK BENN	LWD CARES funding applied to acct # 20138.03	64.93
43737	DOXVAULT	04/21- Conversion of Documents- Scanning	1,415.97
43738	ELMHURST MUTUAL POWER	Utility Srvs- 1 Site	33.00
43739	EUROFINS EATON ANALYTICAL	04/21- PFAS Sampling Job 694	4,200.00
43740	FASTENAL COMPANY	(8) Boxes of Large & Medium Gloves	140.67
43741	FELICIA LEWIS	LWD CARES funding applied to acct # 15024.11	361.04
43742	FLOHAWKS	Repair E-1 Pump & Testing	297.50
43743	GORDON, THOMAS, HONEYWELL	04/21- Attorney Srvs- City of Lakewood Franchise	55.00
43744	GUARDIAN SECURITY GROUP	05/21- Cloud Storage- Various Sites	1,495.28
43745	GUARDIAN SECURITY SYSTEMS	Installation of CCTV System- Nyanza & Gravelly Lk Dr	7,113.91
43746	INSLEE BEST DOEZIE & RYDER	03/21- Attorney Srvs- Personnel & AT&T Farwest Site	1,016.50
43747	JEANETTE E HURLOW	Reimbursement of Plumbing Costs	164.20
43748	LAKEVIEW LIGHT & POWER	Utility Srvs- 2 Sites	8,176.59
43749	LAKEWOOD HARDWARE & PAINT	(1) Sink Stopper, Assorted Adapters	43.28
43750	LEMAY WASTE CONNECTION	04/21- 2yd Bin, Recycling, Shredding, Tax & Lid Chgs	611.33
43751	MCCLAINS SOIL SUPPLY	(8) Dump Fees- Haul Spoils	320.00
43752	MILES RESOURCES LLC	(3.64) Tons of Cold Mix	25.48
43753	NASH CONSULTING INC	2021 Leadership Training- Management Staff	15,000.00
43754	OREILLY AUTOMOTIVE INC	(8) Batteries, Terminal Connectors, Wire Connectors	900.54
43755	PIERCE COUNTY SEWER	Sewer Chgs- 1 Site	18.21
43756	PITNEY BOWES- POSTAGE	05/21- Postage Meter Refill	1,096.84
43757	PRO PEST CONTROL	Refill Baited Stations	103.31
43758	PUGET SOUND ENERGY	Utility Srvs- 8 Sites	7,656.16
43759	RAINIER SUPPLY	(200) Nylon Splices, (16) 1/2" Lugs, (6) Wire Mark Packs	623.60
43760	ROUNDS, KEGAN	Uniform Reimbursement	208.80
43761	STAPLES BUSINESS ADVANTAGE	Kitchen Supplies, Electric Pencil Sharpener, Pens	438.60
43762	SHEPHANI GADSDEN	LWD CARES funding applied to acct# 27060.09	96.79
43763	STRONGHOLD ARMORED INC	04/21- Armored Truck Services	335.00
43764	UTILITIES UNDERGROUND	04/21- (884) Locates	1,140.36
43765	VERIZON WIRELESS	04/21- Scada Charges	1,015.74
43766	WATER MANAGEMENT LABS	(32) Total Coliform MMO-MUG & P-A (4) VOC	1,753.00

43767	ASSOCIATED PETROLEUM (APP)	(550) Ga of Unleaded	1,818.26
43768	AUTOMATIC FUNDS TRANSFER	02/01-02/03/21 Lockbox Services Charge	229.70
43769	CENTURYLINK	Internet Srvs- 2 Sites	182.90
43770	CINTAS CORPORATION #461	Weekly Srv- 05/12/21, (30) Terry Towels	215.24
43771	DEPT OF ENTERPRISE SERVICES	Vehicle Disposal Fee- Trk# 21- Prius	166.75
43772	EUROFINS EATON ANALYTICAL	05/21- PFAS Sampling Job 694	2,400.00
43773	FENCE SPECIALISTS	Fence Repair- 88th & Pine	571.48
43774	GRAINGER INC	(5) Kneeling Mats, 4" Pressure Gauge, (4) 5 Ga Mob	2,428.93
43775	JORDAN DAULBAUGH	Uniform Reimbursement	148.35
43776	LAKEVIEW LIGHT & POWER	Utility Srvs- 2 Sites	2,352.95
43777	MARTEN LAW	04/21- Attorney Srvs - PFAS	45,625.50
43778	ONSOLVE LLC	04/21-04/22 On Call Phone Service	700.00
43779	PARAMETRIX	04/21- 112th St SW & Pac Hwy- Job 800	2,901.82
43780	PARKLAND LIGHT & WATER	Utility Srv- 1 Site	6,544.98
43781	PIERCE COUNTY AUDITOR	(2) Satisfaction of Liens (2) Easement Filings	405.50
43782	PUGET SOUND ENERGY	Utility Srv- 1 Site	14.72
43783	RAINIER SUPPLY	(500) Ea Red/Blk/White Wires, (27) Flourescent Lamp	488.66
43784	SEATTLE ACE LLC	Cleaning Supplies- Office	51.55
43785	SIGURD GUSTAFSSON	2021 LWD Spring Newsletter	600.00
43786	THE NEWS TRIBUNE	Public Notice/ Water Use Efficiency	219.11
43787	US BANK	04/21- US Bank Credit Card Charges	240.00
43788	WATER MANAGEMENT LABS	(19) Total Coliform P-A, (2) Quanti-Trays	669.00
43789	ZORO	20V Hog Ring Drill, Pintle Hook/ Drawbar	430.76
43790	AMERICAN LANDSCAPING SERVICE	05/21- Landscaping Services	6,261.00
43791	ASPHALT PATCH SYSTEMS	Various Patches- 6112 100th St- Job 805	3,200.00
43792	CENTURYLINK	Internet Srvs- 6 Sites	512.92
43793	CINTAS CORPORATION #461	Weekly Srv- 05/19/2021	182.27
43794	CITY OF LAKEWOOD	Permit Fees- Scotts Well Site- Job 778	46,628.86
43795	COMCAST	Internet Srvs- 3 Sites	794.08
43796	DAILY JOURNAL OF COMMERCE	Advertising of Bid- 39th Ave Phase 2- Job 749	499.80
43797	DAY WIRELESS SYSTEMS	05/21- Communication System	635.83
43798	F.S. & G.S. SERVICES INC	Asbestos Abatement- Downstairs Office	4,317.97
43799	FERGUSON WATERWORKS	(50) Boxes, Lids, Riser, (500) Pit Lid Adapt, (3) Mtrs	26,748.16
43800	GRAINGER INC	(1) Power Ventilator, (1) Ga Mobil, (4) Pressure Gaug	1,372.33
43801	INSLEE BEST DOEZIE & RYDER	04/21- Personnel Srvs & Attorney Srvs	5,002.95
43802	JAMES DALE HOWARD	Reimbursement of New Services Overpayment	10,173.98
43803	MOMENTUM TELECOM INC	04/21- Telephone Charges	1,431.92
43804	MULTICARE CENTERS	(11) Field Staff Respirator	495.00
43805	MURRAY, SMITH, & ASSOCIATES	04/21- Hydraulic Modeling	15,031.00
43806	PAPE & SONS CONSTRUCTION	Retainage Pmt- 39th Ave R&R Job 749	56,155.56
43807	PRO CALL CENTER	04/15-05/13/21 On Call Services	270.40
43808	RAINIER SUPPLY	(3) 36" Infratech Elements	546.84
43809	RAINIER WELDING SUPPLIES	(10) Contact Tips, (10) Tapered Tips	32.97
43810	STAPLES BUSINESS ADVANTAGE	Ink, Chair Mat, Air Freshener, Pens, Paper	197.17
43811	TOWN OF STEILACOOM	Utility Srvs- 2 Sites	398.78
43812	UPS	Shipping Costs	50.97
43813	WYCKOFF, KEVIN	Uniform Reimbursement	142.21
43814	AMERICAN FAMILY LIFE ASSURANCE	June Payroll	474.25
43815	COMMITTEE FOR DEFERRED COMP	June Payroll	8,894.00
43816	DELTA DENTAL OF WASHINGTON	June Payroll	3,795.95
43817	LAKEWOOD WATER DISTRICT	June Payroll	330.00
43818	MICHAEL, G. MALAIER, TRUSTEE	June Payroll	1,650.00
43819	PRINCIPAL LIFE INSURANCE	June Payroll	2,783.40
43820	WASHINGTON PERS	June Payroll	58,364.69
43821	WASHINGTON STATE SUPPORT	June Payroll	391.00
43822	ALLIANCE 2020, INC	Background Check- M. Meyers	312.68
43823	ASSOCIATED PETROLEUM (APP)	(500) Ga Unleaded & (150) Ga Diesel	2,108.82
43824	ATEC SYSTEMS INC	G-3 New Pump. Motor, & Treatment	224,781.47
43825	CAPITAL HEATING & COOLING	HVAC System replacement- (90% Completion)	39,346.40
43826	CENTURYLINK	Internet Srv- 1 Site	85.98
43827	CINTAS CORPORATION #461	Weekly Srv- 05/25/21	182.27
43828	CITY OF TACOMA	Permit Fee- WTME Rail Crossing	525.00
43829	CLOVER PARK TECHNICAL COLLEGE	Deposit/Rental Fee- WTME Dedication Event	620.00
43830	COMCAST	Internet Srv- 1 Site	110.18



43831	DAY WIRELESS SYSTEMS	Remove and Replace of Radio System	1,812.32
43832	DE NORA WATER TECHNOLOGIES	(2) Clortec 12 ppd tube assessories	3,340.99
43833	DEPARTMENT OF COMMERCE	PWTF Loan Pmts #1 & 2- Principal & Interest	150,053.61
43834	FCS GROUP	05/21- Wholesale Water Rate Model	4,060.00
43835	FERGUSON WATERWORKS	(50) Rubber Washers, (1) 8x2 MJ Cap	5,873.12
43836	GRAINGER INC	(12) Air Filters, Braided Tubing, (4) 1.5" Crosses	2,144.32
43837	GUARDIAN SECURITY SYSTEMS	Installation of CCTV System- Gravelly Lake Dr SW	1,495.28
43838	INNOVYZE	ProSoft Water Software- M. Meyer	13,665.15
43839	K & D SERVICES	Flagging Srvs- 100th St SW	5,765.26
43840	LAKWOOD HARDWARE & PAINT	(15) Misc Nuts & Bolts	16.49
43841	LOWES COMPANIES	Zip Ties, Water Splices	153.19
43842	MURRAY, SMITH, & ASSOCIATES	03/21- Treatment Design & Hydraulic Modeling	28,114.00
43843	OGDEN MURPHY WALLACE	04/21- Atty Srvs- Advisory Srvs, Triangle Pump Srvs	4,986.45
43844	PACIFIC GROUNDWATER GROUP	04/21- R-2 Well Construction & Well Head Protection	6,143.75
43845	PRO-VAC	Night Flush- Clean Out Durango St	805.79
43846	RAINIER SUPPLY	(1) E-2 Squared 3- Pole 200A	478.07
43847	RESTORATION HOUSE MINISTRIES	LWD CARES funding applied to acct# 17488.03	816.11
43848	S&B INC	SCADA Instruments- View Rd	5,386.82
43849	SITTS & HILL ENGINEERS, INC	04/21- Engineering Cost Scotts Well- Job 778	2,160.00
43850	T-MOBILE	05/21- Cell Phone Services	1,290.22
43851	WATER MANAGEMENT LABS	(38) Total Coliform CPRG & MMO-MUG, Herbicides	2,500.00
43852	ADT COMMERCIAL- PROTECTION ONE	Qtrly Monitoring- 8019 Wash Blvd SW	159.77
43853	BAILEY & SONS SPRAYING	02/21- Insect & Disease Control	781.76
43854	BLAKES BACKFLOW SERVICE	05/21- (178) Backflow Tests	2,972.60
43855	CENTURYLINK	Internet Srvs- 2 Sites	192.90
43856	COMMERCIAL OFFICE INTERIORS	Stand Up Desk- M. Meyers	3,220.78
43857	DAILY JOURNAL OF COMMERCE	Publication- Scotts Well Project - Job 803	1,907.40
43858	GUARDIAN SECURITY SYSTEMS	06/21- Cloud Storage- Various Sites	1,879.83
43859	HOLROYD CO INC	(8) yds of Pea Gravel	257.26
43860	LEMAY WASTE CONNECTION	05/21- 2yd Bin Disposal	116.30
43861	MULTICARE CENTERS	(6) Field Staff DOT, (2) EBT Scans	460.00
43862	OPEN WORKS	05/21- Janitorial Services	1,960.00
43863	PIERCE COUNTY AUDITOR	(1) Satisfaction of Lien, (1) Claim of Lien	78.00
43864	PIERCE COUNTY SEWER	Sewer Chgs- 1 Site	18.21
43865	PSI INC	Engineering Cost- 6112 100th St SW- Job 805	407.50
43866	RAINIER SUPPLY	(9) Misc Insul- Tap Connections	216.30
43867	SEATTLE ACE LLC	Connectors, Ext. Cords, (5)Kwikset Keys, Couplings	319.21
43868	SPEER TAPS INC	8x4 AC Wet Tap- Old Country Place	3,605.82
43869	STAPLES BUSINESS ADVANTAGE	Kleenex, Sharpies, Pens, Post Its, Paper	367.05
43870	STRONGHOLD ARMORED INC	05/21- Armored Services	335.00
43871	US POSTAL SERVICE	Postage Fee- Consolidated Press- Annual Report	6,693.84
43872	UTILITIES UNDERGROUND	05/21- (714) Locates	921.06
43873	WATER MANAGEMENT LABS	(4) VOC, (1) Herbicides, (1) Full Organic	1,840.00
43874	WEST PIERCE FIRE & RESCUE	Permit Application- Motor Fuel	110.00

**Sub-Total**

**1,115,320.72**

June Payroll

**188,026.54**

June Payroll Taxes

**71,851.13**

**Date**

**Other Electronic Payment**

5/13/2021	CRAIG GIBSON CONSULTING PMT#424	1,575.00
5/13/2021	SIR SPEEDY PMT# 425	6,798.28
5/20/2021	EMGOV POWER PMT# 426	590.00
5/20/2021	RH2 ENGINEERING INC PMT# 427	26,184.55
5/27/2021	RH2 ENGINEERING INC PMT# 428	22,715.79
5/27/2021	SIR SPEEDY PMT# 429	1,447.47
6/1/2021	REGENCE BLUE SHIELD PMT# 430	55,189.86
6/4/2021	CRAIG GIBSONS CONSULTING PMT #431	2,025.00
6/4/2021	RH2 ENGINEERING INC PMT # 432	17,226.48
6/4/2021	SIR SPEEDY PMT# 433	1,547.08
6/10/2021	CEP ENTERPRISES LLC PMT# 434	5,432.08
6/10/2021	EMGOV POWER PMT# 435	9,000.00

B&O Tax	38,353.17	
Bond 2012 - Principal and Interest	401,050.00	
Bond 2014 - Interest Only	201,225.00	
Bond 2016 - Principal and Interest	481,982.00	
Bond 2017 - Interest Only	136,356.25	
Bond 2019A- Interest Only	453,400.00	
Bond 2019B- Interest Only	167,550.00	
Authnet Gateway (MAY)	17.95	
Key2Purchase - (MAY exp)	6,604.44	
Xpress Bill Pay Portal Fee (MAY)	2,704.96	
Key Bank -Merchant fees (MAY)	3,518.60	
Key Analysis (MAY)	208.79	2,042,702.75

**GRAND TOTAL**

**3,417,901.14**

LAKWOOD WATER DISTRICT  
PIERCE COUNTY, WASHINGTON

RESOLUTION NO. B-1469

A RESOLUTION of the Board of Water Commissioners of Lakewood Water District, Pierce County, Washington; providing for the issuance, sale, and delivery of water revenue bonds, in one or more series, to provide funds necessary to (i) pay all or part of the costs of acquiring and constructing improvements and betterments to the District's water system described in its comprehensive plan, (ii) refund certain outstanding water revenue bonds of the District, and (iii) pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the District's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Adopted June 24, 2021

*This document prepared by:*

*Foster Garvey P.C.  
1111 Third Avenue, Suite 3000  
Seattle, Washington 98101  
(206) 447-4400*

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LAKWOOD WATER DISTRICT  
PIERCE COUNTY, WASHINGTON

RESOLUTION NO. B-1469

A RESOLUTION of the Board of Water Commissioners of Lakewood Water District, Pierce County, Washington; providing for the issuance, sale, and delivery of water revenue bonds, in one or more series, to provide funds necessary to (i) pay all or part of the costs of acquiring and constructing improvements and betterments to the District's water system described in its comprehensive plan, (ii) refund certain outstanding water revenue bonds of the District, and (iii) pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the District's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

BE IT RESOLVED BY THE BOARD OF WATER COMMISSIONERS OF LAKWOOD WATER DISTRICT, PIERCE COUNTY, WASHINGTON, as follows:

Section 1.     Definitions. As used in this resolution, the following capitalized terms have the following meanings:

**“2012 Bond Resolution”** means Resolution No. B-1403, adopted by the Board on March 15, 2012.

**“2012 Bonds”** means the Water Revenue Refunding Bonds, 2012, authorized by the 2012 Bond Resolution in the original principal amount of \$4,540,000.

**“2014 Bond Resolution”** means Resolution No. B-1415, adopted by the Board on March 20, 2014.

**“2014 Bonds”** means the Water Revenue Bonds, 2014, authorized by the 2014 Bond Resolution in the original principal amount of \$9,900,000.

**“2016 Bond”** means the Water Revenue Refunding Bond, 2016, authorized by the 2016 Bond Resolution in the original principal amount of \$4,133,479.

**“2016 Bond Resolution”** means Resolution No. B-1435, adopted by the Board on April 28, 2016.

**“2017 Bond Resolution”** means Resolution No. B-1440, adopted by the Board on June 29, 2017.

**“2017 Bonds”** means the Water Revenue Bonds, 2017, authorized by the 2017 Bond Resolution in the original principal amount of \$7,140,000.

**“2019 Bond Resolution”** means Resolution No. B-1452, adopted by the Board on June 6, 2019.

**“2019A Bonds”** means the Water Revenue Bonds, 2019A (Private Activity AMT), authorized by the 2019 Bond Resolution in the original principal amount of \$18,895,000.

**“2019B Bonds”** means the Water Revenue Bonds, 2019B (Tax-Exempt, Bank Qualified), authorized by the 2019 Bond Resolution in the original principal amount of \$9,805,000.

**“2019 Bonds”** means, collectively, the 2019A Bonds and the 2019B Bonds.

**“Accreted Value”** means:

(a) with respect to any Capital Appreciation Bonds, as of the time of calculation, the sum of the amount representing the initial principal amount of such Capital Appreciation Bonds as set forth in the applicable Parity Bond Authorizing Resolution plus the interest accumulated, compounded, and unpaid thereon as of the most recent compounding date, or

(b) with respect to original issue discount bonds under the Code, as of the time of calculation, the amount representing the initial public offering price of such original issue discount bonds plus the amount of the discounted principal which has accreted since the date of issue, determined in accordance with the provisions of the applicable Parity Bond Authorizing Resolution.

**“Annual Debt Service”** means, for any Parity Bonds for any fiscal year of the District, all amounts required to be paid in respect of interest on and principal of such Parity Bonds (excluding interest payments capitalized by such Parity Bonds and excluding the accrued interest paid to the District upon the issuance of such Parity Bonds), subject to the following:

(a) *Debt Service on Term Bonds.* For purposes of calculating debt service on Term Bonds, only the scheduled mandatory redemption amounts payable in respect of principal of Term Bonds shall be taken into account in any fiscal year prior to the Term Bond Maturity Year, and only the principal amount scheduled to remain outstanding after payment of all prior mandatory redemption amounts shall be taken into account in the Term Bond Maturity Year;

(b) *Interest on Parity Bonds.* For purposes of determining compliance with the Coverage Requirement, the Reserve Requirement, if any, and conditions for the issuance of Future Parity Bonds or the creation of Contract Resource Obligations:

(1) *Generally.* Except as otherwise provided by subparagraph (b)(2) with respect to Variable Interest Rate Bonds, interest on any issue of Parity Bonds payable in a fiscal year shall be calculated based on the actual amount of accrued, accreted, or otherwise accumulated interest that is

payable in that fiscal year in respect of that issue taken as a whole, at the rate or rates set forth in the Parity Bond Authorizing Resolution;

- (2) *Interest on Variable Interest Rate Bonds.* The amount of interest deemed to be payable on any issue of Variable Interest Rate Bonds shall be calculated on the assumption that the interest rate on those bonds would be equal to the rate (the “assumed bond index-based rate”) that is 90% of the average Bond Buyer Revenue Bond Index or comparable index during the fiscal quarter preceding the quarter in which the calculation is made; except that, for purposes of determining actual compliance with the Coverage Requirement under Section 13(b)(ii) in any past fiscal year, the actual amount of interest paid on any issue of Variable Interest Rate Bonds shall be taken into account.

**“Authorized Denomination”** means \$5,000 or any integral multiple thereof within a maturity of a Series.

**“Average Annual Debt Service”** means, for any Parity Bonds, the sum of the Annual Debt Service on such Parity Bonds for the remaining years to the last scheduled maturity of such Parity Bonds, divided by the number of those years.

**“Beneficial Owner”** means, with respect to a Bond, the owner of the beneficial interest in the Bond.

**“Board”** means the Board of Water Commissioners of the District.

**“Bond”** means each bond issued pursuant to and for the purposes provided in this resolution.

**“Bond Counsel”** means the firm of Foster Garvey P.C., its successor, or any other attorney or firm of attorneys selected by the District with a nationally recognized standing as bond counsel in the field of municipal finance.

**“Bond Fund”** means the special fund of the District known as the Revenue Bond Fund created by Resolution No. B-1296 for the payment of the principal of, mandatory sinking fund payments with respect to, and interest on the Parity Bonds.

**“Bond Insurance”** means any bond insurance, letter of credit, guaranty, surety bond, or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on any Parity Bonds.

**“Bond Purchase Contract”** means an offer to purchase a Series, setting forth certain terms and conditions of the issuance, sale, and delivery of the Series, which offer is authorized to be accepted by the Designated Representative on behalf of the District, if consistent with this resolution.

**“Bond Register”** means the books or records maintained by the Registrar for the purpose of identifying ownership of each Bond.

**“Capital Appreciation Bond”** means any Parity Bond, all or a portion of the interest on which is compounded and accumulated at the rates or in the manner, and on the dates, set forth in the applicable Parity Bond Authorizing Resolution and is payable only upon redemption or on the maturity date of such Parity Bond. Parity Bonds that are issued as Capital Appreciation Bonds, but later convert to obligations on which interest is paid periodically, shall be Capital Appreciation Bonds until the conversion date and thereafter shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

**“Code”** means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

**“Comprehensive Plan”** means the Comprehensive Plan for Lakewood Water District, adopted by the District on April 16, 2020, as it may have been amended and will be amended in the future from time to time.

**“Contract Resource Obligation”** means an obligation of the District, designated as a Contract Resource Obligation and entered into pursuant to the Parity Bond Authorizing Resolutions to make payments for water supply, transmission, or other commodity or service to another person or entity (including without limitation any separate utility system created pursuant to one or more Parity Bond Authorizing Resolutions).

**“Coverage Requirement”** means Net Revenue at least equal to 1.25 times the Annual Debt Service in the relevant fiscal year on all outstanding Parity Bonds less ULID Assessments due in that fiscal year and not delinquent.

**“Designated Representative”** means the officer of the District appointed in Section 4 to serve as the District’s designated representative in accordance with RCW 39.46.040.

**“District”** means Lakewood Water District, Pierce County, Washington, as presently existing or as may subsequently exist as a result of any change in corporate or service area boundaries or lawful merger or consolidation with or assumption of assets and liabilities by (a) any other special purpose sewer, water, or sewer and water district under the provisions of Titles 56 or 57 RCW or successor statutes or (b) any public utility district created under the provisions of Title 54 RCW or successor statutes.

**“DTC”** means The Depository Trust Company, New York, New York, or its nominee.

**“Final Terms”** means the terms and conditions for the sale of a Series to the Purchaser, including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants.

**“Finance Director”** means the Finance Director of the District or such other officer of the District who succeeds to substantially all of the responsibilities of that office.



**“Fiscal Agent”** means the fiscal agent of the State, as the same may be designated by the State from time to time.

**“Future Parity Bond Authorizing Resolution”** means a resolution of the District authorizing the issuance and sale and establishing the terms of Future Parity Bonds.

**“Future Parity Bonds”** means all revenue bonds and other obligations of the District issued or entered into after the Issue Date and then outstanding, the payment of which constitutes a charge and lien on the Net Revenue equal in rank with the charge and lien upon such revenue required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on the Bonds, but shall not include any obligations issued by any municipal corporation other than the District.

**“General Fund”** means Maintenance Account No. 131 established by District Resolution No. B-1284.

**“General Manager”** means the General Manager of the District or such other officer of the District who succeeds to substantially all of the responsibilities of that office.

**“Government Obligations”** means noncallable direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

**“Gross Revenue”** means all of the earnings and revenues received by the District from any source whatsoever including but not limited to the maintenance and operation of the System, and earnings from the investment of money on deposit in the various funds of the District. Gross Revenue shall not include (a) earnings of a separate utility system that may be acquired or constructed by the District pursuant to Section 16, (b) principal proceeds of Parity Bonds or other borrowings, (c) government grants, (d) proceeds of taxes levied by the District, or (e) earnings or proceeds from any investments in a trust, defeasance, or escrow account created to defease or refund System obligations (until commingled with other earnings and revenues of the System defined as Gross Revenue) or held in a special account for the purpose of paying a rebate to the United States under the Code.

**“Improvements”** means the construction and acquisition of improvements and betterments to the System described in the Comprehensive Plan.

**“Independent Utility Consultant”** means either (a) an independent licensed professional engineer experienced in the design, construction, or operation of municipal utilities of comparable size and character to the System, or (b) an independent certified public accountant or other professional consultant experienced in the development of rates and charges for municipal utilities of comparable size and character to the System.

**“Issue Date”** means, with respect to a Bond, the date of initial issuance and delivery of the Bond to the Purchaser in exchange for the purchase price of the Bond.

**“Letter of Representations”** means the Blanket Issuer Letter of Representations between the District and DTC dated November 13, 2001, as it may be amended from time to

time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

**“Maximum Annual Debt Service”** means, for any Parity Bonds at the time of calculation, the maximum amount of Annual Debt Service on such Parity Bonds that will mature or come due in the current fiscal year or any future fiscal year.

**“MSRB”** means the Municipal Securities Rulemaking Board.

**“Net Revenue”** means the Gross Revenue plus withdrawals from the Rate Stabilization Account in accordance with Section 11 minus (a) Operation and Maintenance Expenses, (b) deposits into the Rate Stabilization Account in accordance with Section 11, and (c) proceeds from the sale of property of the System.

**“Official Statement”** means an offering document, disclosure document, private placement memorandum, or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of a Series in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

**“Operation and Maintenance Expenses”** means all expenses incurred by the District in causing the System to be operated and maintained in good repair, working order, and condition, including without limitation: deposits, premiums, assessments, or other payments for insurance, if any, on the System; payments into pension funds; State-imposed taxes; payments under any Contract Resource Obligation; and payments with respect to any other expenses of the System that are properly treated as operation and maintenance expenses under generally accepted accounting principles applicable to municipal corporations. The term Operation and Maintenance Expenses does not include any depreciation or capital additions or capital replacements to the System.

**“Outstanding Parity Bonds”** means, collectively: the 2012 Bonds outstanding in the principal amount of \$400,000 that mature in the year 2022; the 2014 Bonds outstanding in the principal amount of \$9,050,000 that mature in the years 2021 through 2033, inclusive; the 2016 Bond outstanding in the principal amount of \$1,920,353 that matures in the year 2025; the 2017 Bonds outstanding in the principal amount of \$7,140,000 that mature in the years 2034 through 2037, inclusive, 2039, and 2042; the 2019A Bonds outstanding in the principal amount of \$18,895,000 that mature in the years 2021 through 2026, inclusive, the years 2029 through 2032, inclusive, and the years 2034, 2035, 2037, 2039, 2041 and 2044; and the 2019B Bonds outstanding in the principal amount of \$9,805,000 that mature in the years 2045 and 2048.

**“Owner”** means, without distinction, the Registered Owner and the Beneficial Owner.

**“Parity Bond Authorizing Resolution(s)”** means, as applicable to each series of Parity Bonds, the 2012 Bond Resolution, the 2014 Bond Resolution, the 2016 Bond Resolution, the 2017 Bond Resolution, the 2019 Bond Resolution, this resolution, and any Future Parity Bond Authorizing Resolution and, with respect to each of the foregoing, shall include the documents, certifications, and other proceedings authorized thereby, including those authorized pursuant to authority delegated thereby.

**“Parity Bonds”** means, collectively, the Outstanding Parity Bonds, the Bonds, and any Future Parity Bonds.

**“Parity Conditions”** means the conditions set forth in Section 15 of the 2012 Bond Resolution, Section 15 of the 2014 Bond Resolution, Section 14 of the 2016 Bond Resolution, and Section 15 of the 2017 Bond Resolution, Section 15 of the 2019 Bond Resolution, and as such conditions relate to the issuance of the Bonds, together with the conditions set forth in Section 15 of this resolution as such conditions relate to the issuance of Future Parity Bonds.

**“Prepayment Date”** means the date fixed by the Designated Representative for prepayment of the Refunded Portion.

**“Principal and Interest Account”** means the subaccount of that name created in the Bond Fund for the payment of the principal of and interest and mandatory redemption requirements, if any, on Parity Bonds.

**“Purchaser”** means the corporation, firm, association, partnership, trust, bank, financial institution, or other legal entity or group of entities selected by the Designated Representative to serve as underwriter or placement agent in a negotiated sale of the Bonds or as purchaser in a private placement.

**“Rate Stabilization Account”** means the account of that name created in the General Fund previously established by the District.

**“Rating Agencies”** means Moody’s Investors Service, Inc., and S&P Global Ratings, and their successors, and any other nationally-recognized securities rating agency or agencies rating Parity Bonds at the request of the District.

**“Record Date”** means the Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date means the Registrar’s close of business on the date on which the Registrar sends the notice of redemption in accordance with Section 7.

**“Refunded Portion”** means the outstanding principal amount of the 2016 Bond, if any, determined by the Designated Representative for refunding pursuant to Section 21(a).

**“Refunding Bond”** means each Bond issued to refund the Refunded Portion.

**“Registered Owner”** means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the District uses the book–entry only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

**“Registrar”** means the Fiscal Agent or any successor bond registrar selected by the District.

**“Reserve Account”** means the account of that name created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Parity Bonds.

**“Reserve Insurance”** means any bond insurance, letter of credit, guaranty, surety bond, or similar credit enhancement device obtained by the District to provide for part or all of the Reserve Requirement, if any, for any Parity Bonds which is issued by an institution that has been assigned a credit rating at the time of issuance of the device in one of the two highest rating categories of one of the Rating Agencies (without regard to numeric or symbolic gradations within a rating category).

**“Reserve Requirement”** means, for the Outstanding Parity Bonds, zero, for the Bonds, zero, and for any series of Future Parity Bonds, the amount specified in the applicable Future Parity Bond Authorizing Resolution, which may be zero.

**“Rule 15c2-12”** means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

**“SEC”** means the United States Securities and Exchange Commission.

**“Securities Depository”** means DTC, any successor thereto, any substitute securities depository selected by the District that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

**“Series”** means a series of the Bonds issued pursuant to this resolution.

**“SIFMA Municipal Swap Index”** means the seven-day high-grade market index of that name, consisting of tax-exempt variable rate demand obligation reset rates that are reported to the MSRB, or its successor.

**“State”** means the State of Washington.

**“State Auditor”** means the office of the Auditor of the State or such other department, office, or agent of the State authorized and directed by State law to conduct audits.

**“System”** means the water supply and distribution system of the District, as it now exists and all additions thereto and betterments and extensions thereof at any time made for so long as any of the Parity Bonds are outstanding and including any sanitary sewage collection, treatment, and disposal system, septic inspection and maintenance system, or storm and surface water drainage system, or other system or utility, that may lawfully be combined with the System. The System shall not include any water supply or service or other facilities that is created, acquired, or constructed by the District as a separate utility system as provided in Section 16.

**“System of Registration”** means the system of registration for the District’s bonds and other obligations set forth in District Resolution No. B-1295.

**“Tax-Exempt Bond”** means each Bond the interest on which is intended on the Issue Date to be excluded from gross income for federal income tax purposes.

**“Term Bond”** means each Parity Bond designated as such in the applicable Parity Bond Authorizing Resolution and subject to mandatory redemption in the years and amounts set forth in the applicable Parity Bond Authorizing Resolution.

**“Term Bond Maturity Year”** means any calendar year in which Term Bonds are scheduled to mature.

**“ULID”** means a utility local improvement district.

**“ULID Assessments”** means all assessments levied and collected in a ULID of the District created for the acquisition or construction of additions to and betterments and extensions of the System if (and only if) those assessments are pledged to be paid into the Bond Fund, not including any prepaid assessments paid into a construction fund or account. ULID Assessments shall include installments thereof and any interest or penalties thereon.

**“Undertaking”** means the undertaking to provide continuing disclosure entered into pursuant to Section 23.

**“Variable Interest Rate”** means any variable interest rate or rates to be borne by any Parity Bonds. The method of computing such a variable interest rate shall be as specified in the applicable Parity Bond Authorizing Resolution, which resolution also shall specify either (a) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable interest rate shall remain in effect or (b) the time or times upon which any change in such variable interest rate shall become effective. A Variable Interest Rate may, without limitation, be based on the interest rate on certain bonds or may be based on interest rate, currency, commodity, or other indices.

**“Variable Interest Rate Bonds”** means, for any period of time, any Parity Bonds that bear a Variable Interest Rate during that period, except that Parity Bonds shall not be treated as Variable Interest Rate Bonds if the net economic effect of interest rates on particular Parity Bonds of an issue and interest rates on other Parity Bonds of the same issue, as set forth in the applicable Parity Bond Authorizing Resolution, is to produce obligations that bear interest at a fixed interest rate.

Section 2. Findings and Determinations. The District takes note of the following facts and makes the following findings and determinations.

(a) Background. Pursuant to Resolution No. B-1459, adopted on April 16, 2020, the Board adopted the Comprehensive Plan, which includes carrying out the Improvements. The District is now in need of funds with which to finance the Improvements and, if so determined by the Designated Representative pursuant to Section 21(a), to refund the Refunded Portion.

(b) Authorization. Pursuant to applicable law, including chapters 57.20, 39.44, 39.46, 39.50, and 39.53 RCW, the District is authorized to issue water revenue bonds to (i) pay all or part of the costs of acquiring and constructing the Improvements; (ii) pay the cost of refunding the Refunded Portion; and (iii) pay the costs of issuance and sale of the Bonds.

(c) Parity Bonds. The District issued the Outstanding Parity Bonds and by the Parity Bond Authorizing Resolutions authorizing the Outstanding Parity Bonds provided for the issuance of Future Parity Bonds if the Parity Conditions included in such Parity Bond

Authorizing Resolutions are met and complied with at the time such Future Parity Bonds are issued.

(d) Authority to Issue Future Parity Bonds. No deficiency shall exist in the Bond Fund on the Issue Date. No Event of Default as defined in the Parity Bond Authorizing Resolutions authorizing the Outstanding Parity Bonds shall have occurred and be continuing on the Issue Date. This resolution provides that all ULID Assessments shall be paid directly into the Bond Fund. This resolution provides for the payment of the principal of and interest on the Bonds (including any mandatory redemption requirements) out of the Bond Fund. Provision shall have been made for the funding of the Reserve Requirement, if any, upon the issuance of the Bonds. There shall be on file prior to the Issue Date a certificate of the General Manager that satisfies the conditions for such certificate as set forth in the Parity Bond Authorizing Resolutions authorizing the Outstanding Parity Bonds. Accordingly, the Parity Conditions will be satisfied on the Issue Date and the Bonds shall be issued as Future Parity Bonds.

(e) Finding as to Sufficiency of Gross Revenue. The District finds and determines that the Gross Revenue and benefits to be derived from the operation and maintenance of the System at the rates to be charged for services provided by the District will be more than sufficient to meet all Operation and Maintenance Expenses and to permit the setting aside into the Bond Fund out of the Gross Revenue amounts sufficient to pay the principal of and interest on the Bonds and any mandatory redemption requirements when due. The District further declares that in maintaining the Bond Fund and in fixing the amounts to be paid into the Bond Fund it has exercised due regard for Operation and Maintenance Expenses, and the District has not bound or obligated itself to set aside and pay into the Bond Fund a greater amount or proportion of the Gross Revenue than in the judgment of the Board will be available over and above the Operation and Maintenance Expenses and the amount previously pledged.

(f) Refunding. The Board finds that it is in the best interests of the District and its ratepayers to issue the Refunding Bonds to refund the Refunded Portion if, in the determination of the Designated Representative, a savings will be effected by the difference between the principal and interest cost over the life of the Refunding Bonds and the principal and interest cost over the life of the Refunded Portion but for such refunding, as set forth in Section 21(a) and in Exhibit A. The Board further finds that the issuance of the Refunding Bonds in accordance with this resolution will discharge and satisfy the obligations, pledges, charges, trusts, covenants, and agreements of the Board under the 2016 Bond Resolution as to the Refunded Portion, and the Refunded Portion shall no longer be deemed to be outstanding immediately upon the deposit in the Bond Fund of money sufficient to prepay the Refunded Portion on the Prepayment Date.

Section 3. Purpose and Authorization of Bonds. The District is authorized to borrow money on the credit of the District and issue negotiable water revenue bonds evidencing indebtedness in one or more Series to (a) pay all or part of the costs of acquiring and constructing the Improvements; (b) pay the cost of refunding the Refunded Portion; and (c) pay the costs of issuance and sale of the Bonds.

Section 4. Parameters of Bonds; Appointment of Designated Representative. The General Manager and Finance Director of the District are each individually appointed as the

Designated Representative, and each is individually authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the District, and to approve the Final Terms for each Series, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this resolution and incorporated by this reference.

Section 5. Registrar; Registration and Transfer of Bonds.

(a) Registration of Bonds. Each Bond shall be issued only in registered form as to both principal and interest, and the ownership of each Bond shall be recorded on the Bond Register.

(b) Registrar; Duties. Unless otherwise designated by the Designated Representative, the Fiscal Agent is appointed as initial Registrar. The Registrar shall keep, or cause to be kept, the Bond Register, which shall be open to inspection by the District at all times. The Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the District's paying agent for the Bonds and to carry out all of the Registrar's powers and duties under this resolution and the System of Registration. The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on each Bond. The Registrar may become an Owner with the same rights it would have if it were not the Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) Bond Register; Transfer and Exchange. The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, maturity, and interest rate. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the redemption date.

(d) Securities Depository; Book-Entry Only Form. If a Bond is to be issued in book-entry only form, DTC shall be appointed as initial Securities Depository, and the Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the District; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the District, the District may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the District does not appoint a substitute Securities Depository or (ii) the District terminates the services of

the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this resolution.

Neither the District nor the Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the District nor the Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner of a Bond registered in the name of the Securities Depository except such notice as is required to be given by the Registrar to the Securities Depository.

Section 6. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository are payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. The District is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Registrar. The Bonds are payable solely out of the Bond Fund and shall not be general obligations of the District. The Bonds are not subject to acceleration under any circumstances.

Section 7. Redemption Provisions and Purchase of Bonds.

(a) Optional Redemption. The Bonds shall be subject to redemption at the option of the District on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Contract, consistent with the parameters set forth in Exhibit A.

(b) Mandatory Redemption. Each Bond that is designated as a Term Bond in the Bond Purchase Contract, consistent with the parameters set forth in Exhibit A and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Contract. If a Bond that is a Term Bond is redeemed under the optional redemption provisions, defeased, or purchased by the District and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased, or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The District shall determine the manner in which the credit is to be allocated and shall notify the Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) Selection of Bonds for Redemption; Partial Redemption. If fewer than all of the outstanding Bonds are to be redeemed at the option of the District, the District shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity



of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Registrar shall select all other Bonds to be redeemed randomly in such manner as the Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity, and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) Notice of Redemption. Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the General Manager shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) Rescission of Optional Redemption Notice. In the case of an optional redemption, the notice of redemption may state that the District retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for redemption. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of redemption has been rescinded shall remain outstanding.

(f) Effect of Redemption. Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(g) Purchase of Bonds. The District reserves the right to purchase any or all of the Bonds offered to the District or in the open market at any time at any price acceptable to the District plus accrued interest to the date of purchase.

Section 8. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity date or date fixed for redemption, the District shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 9. Form and Execution of Bonds.

(a) Form of Bonds; Signatures and Seal. Each Bond shall be prepared in a form consistent with the provisions of this resolution and State law and shall be signed in the corporate name of the District by the President and Secretary of the Board, either or both of whose signatures may be manual or in facsimile, and the seal of the District or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the District authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Registrar, or issued or delivered by the District, the Bond nevertheless may be authenticated, issued, and delivered and, when authenticated, issued, and delivered, shall be as binding on the District as though the person had continued to be an officer of the District authorized to sign bonds. Any Bond also may be signed on behalf of the District by any person who, on the actual date of signing of the Bond, is an officer of the District authorized to sign bonds, although he or she did not hold the required office on the Issue Date.

(b) Authentication. Only a Bond bearing a Certificate of Authentication in the following form, manually signed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "Certificate of Authentication. This Bond is one of the fully registered Lakewood Water District, Pierce County, Washington, Water Revenue [and Refunding] Bonds, [Series], described in the Bond Resolution." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits of this resolution.

Section 10. Bond Fund. The Bond Fund is divided into two accounts: the Principal and Interest Account and the Reserve Account. So long as any Parity Bonds are outstanding, the District shall set aside and pay into the Bond Fund all ULID Assessments on their collection and, out of the Net Revenue, certain fixed amounts without regard to any fixed proportion, namely:

(a) Into the Principal and Interest Account, on or prior to each date the same becomes due, an amount, together with other money on deposit therein, sufficient to pay the principal of and interest on the Bonds on such date; and

(b) Into the Reserve Account the amount, if any, necessary to fund the Reserve Requirement, if any, on the date of issuance of Parity Bonds. The District may establish for any one or more series of Future Parity Bonds a separate Reserve Requirement, which may be zero. The District may provide all or any part of the Reserve Requirement, if any, through Reserve Insurance, and the amount available to be drawn upon under that Reserve Insurance shall be credited against the Reserve Requirement, subject to the following:

The Reserve Insurance shall not be cancelable on less than 3 years' notice. On receipt of a notice of cancellation of any Reserve Insurance or upon notice that the entity providing the Reserve Insurance no longer meets the requirements specified herein, the District shall substitute Reserve Insurance in the amount required to make up the deficiency created in the Reserve Account or in the alternative shall create a special account in the General Fund and deposit therein, on or before the 25th day of each of the 36 succeeding calendar months (commencing with the

25th day of the calendar month next following the date of the notice) one 1/36th of the amount sufficient, together with other money and investments on deposit in the Reserve Account, to equal the Reserve Requirement in effect as of the date the cancellation or disqualification of the entity becomes effective. Those amounts shall be deposited in the special account from money in the General Fund after making provision for payment of Operation and Maintenance Expenses and for required payments into the Bond Fund. Amounts on deposit in that special account shall not be available to pay debt service on Parity Bonds or for any other purpose of the District, and shall be transferred to the Reserve Account on the effective date of any cancellation of a Reserve Insurance to make up all or part of the deficiency caused thereby. Amounts in that special account or in the Reserve Account may be transferred back to the General Fund and used for any purpose if and when qualifying Reserve Insurance is obtained.

Except for withdrawals therefrom authorized herein, the Reserve Account shall be maintained at the Reserve Requirement, if any, as it is adjusted from time to time, at all times so long as any Parity Bonds are outstanding. For the purpose of determining the amount credited to the Reserve Account, obligations in which money in the Reserve Account has been invested shall be valued at market value.

If there shall be a deficiency in the Principal and Interest Account to meet maturing installments of either principal or interest or mandatory redemption requirements for, as the case may be, for Parity Bonds secured by amounts in the Reserve Account, that deficiency shall be made up from the Reserve Account to the extent such Parity Bonds are secured thereby by the withdrawal of cash therefrom or draws on Reserve Insurance made for that purpose. Any deficiency created in the Reserve Account by reason of any such withdrawal shall within 12 months be made up from ULID Assessments and Net Revenue available after making necessary provisions for the required payments into the Principal and Interest Account.

The money in the Reserve Account may be applied to the payment of the last outstanding Parity Bonds to the extent such Parity Bonds are secured thereby, except that any money in the Reserve Account (including investment earnings) in excess of the Reserve Requirement, if any, may be withdrawn and deposited in the Principal and Interest Account and spent for the purpose of retiring Parity Bonds or may be deposited in any other fund or account and spent for any other lawful District purpose. When the total amount in the Bond Fund (including investment earnings) shall equal the total amount of principal and interest for all Parity Bonds to the last maturity thereof, no further payment need be made into the Bond Fund.

The District may provide for the purchase, redemption, or defeasance of any Parity Bonds by the use of money on deposit in any account in the Bond Fund as long as the money remaining in those accounts is sufficient to satisfy the required deposits in those accounts for the remaining Parity Bonds.

All money in the Bond Fund may be kept in cash or invested in legal investments for a water district under State law, maturing (for investments in the Principal and Interest Account) not later than the dates when the funds are required for the payment of principal of or interest on the Parity Bonds and, for investments in the Reserve Account, maturing (or subject to

redemption, or repurchase and redemption, at the option of the District) on a date not later than 15 years from the date of investment (or, if earlier, the final maturity of all Parity Bonds at the time outstanding).

Earnings from investments in the Principal and Interest Account shall be deposited in that account. Earnings from investments in the Reserve Account shall be deposited in that account. Notwithstanding the provisions for the deposit of earnings, any earnings that are subject to federal arbitrage rebate requirements may be withdrawn from the Bond Fund for deposit into a separate fund or account created for the purpose of compliance with those rebate requirements.

If the District provides for all or part of the Reserve Requirement by Reserve Insurance, excess amounts in the Reserve Account may be withdrawn from that account and deposited either in the Principal and Interest Account or in the General Fund, subject to applicable State law and Section 14.

The District may create sinking fund accounts or other accounts in the Bond Fund for the payment or securing the payment of Parity Bonds as long as the maintenance of such accounts does not conflict with the rights of the owners of such Parity Bonds.

Section 11. Rate Stabilization Account. The District has previously established a Rate Stabilization Account in the General Fund. The District may at any time, as determined by the District and as consistent with Section 14, deposit in the Rate Stabilization Account Gross Revenue and any other money received by the System during a fiscal year and available to be used therefor, excluding principal proceeds of Parity Bonds or other borrowing. The District may, by resolution, withdraw money from the Rate Stabilization Account for inclusion in the Net Revenue at any time for the current fiscal year. Such deposits or withdrawals may be made up to and including the date that is 90 days after the end of the fiscal year for which the deposit or withdrawal will be included as Net Revenue for that fiscal year.

Earnings from investments in the Rate Stabilization Account shall be retained in the Rate Stabilization Account and shall not be included as Net Revenue unless and until withdrawn from the Rate Stabilization Account as provided herein.

No deposit of Gross Revenue shall be made into the Rate Stabilization Account to the extent that such deposit would prevent the District from meeting the Coverage Requirement in the relevant fiscal year.

Section 12. Pledge of Net Revenue and Lien Position. The Net Revenue, ULID Assessments, and all money and investments held in the Bond Fund and the Rate Stabilization Account (except money and investments held in a separate fund or account created for the purpose of compliance with rebate requirements under the Code) are pledged to the payment of the Parity Bonds and to make payments into the Reserve Account required by the Parity Bond Authorizing Resolutions, and this pledge shall constitute a lien and charge upon the Net Revenue and ULID Assessments prior and superior to any other charges whatsoever.

Section 13. Covenants. The District covenants and agrees with the Registered Owner of each Bond at any time outstanding, as follows:

(a) Operation and Maintenance. The District will at all times maintain, preserve and keep the properties of the System in good repair, working order, and condition, will make all necessary and proper additions, betterments, renewals, and repairs thereto and improvements, replacements, and extensions thereof, and will at all times operate or cause to be operated the properties of the System and the business in connection therewith in an efficient manner and at a reasonable cost.

(b) Establishment and Collection of Rates and Charges. The District will establish, maintain, and collect rates and charges for water supply and distribution service and for all other utility services that will be fair and equitable, and will adjust those rates and charges from time to time so that:

(i) The Gross Revenue will be sufficient to (A) pay all Operation and Maintenance Expenses, (B) pay when due all amounts that the District is obligated to pay into the Bond Fund and the accounts therein, including the payment of any amounts owing to a provider of Reserve Insurance, and (C) pay all taxes, assessments, or other governmental charges lawfully imposed on the System or the revenue therefrom or payments in lieu thereof and any and all other amounts which the District may now or hereafter become obligated to pay from the Gross Revenue by law or contract; and

(ii) The Net Revenue in each fiscal year will be at least equal to the Coverage Requirement; and

(iii) Except to aid the poor or infirm or for fire-fighting purposes, it will not furnish or supply or permit the furnishing or supplying of any water service free of charge to any person, firm, or corporation, public or private.

The failure of the District to comply with paragraphs (i) and (ii) of this subsection shall not be an Event of Default as defined in Section 25 if the District promptly retains an Independent Utility Consultant to recommend to the Board adjustments in the rates of the System necessary to meet the requirements of those paragraphs and if the Board adopts the recommended modifications within 180 days after the date the failure became known to the Board.

(c) Sale, Transfer, or Disposition of the System. The District will sell, transfer, or otherwise dispose of any of the works, plant, properties, facilities, or other part of the System or any real or personal property comprising a part of the System only upon approval by resolution and only consistent with one or more of the following:

(i) The District in its discretion may carry out such a sale, transfer, or disposition (each, as used in this subsection, a “transfer”) if the facilities or property transferred are not material to the operation of the System, or shall have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the System or are no longer necessary, material, or useful to the operation of the System; or

(ii) The District in its discretion may carry out such a transfer if the aggregate depreciated cost value of the facilities or property being transferred under this paragraph in any fiscal year comprises no more than 3% of the total assets of the System; or

(iii) The District in its discretion may carry out such a transfer if the District receives from the transferee an amount equal to the greater of the following:

- (A) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (defined as the total amount of the Parity Bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the Gross Revenue from the portion of the System sold or disposed of for the preceding fiscal year bears to the total Gross Revenue for that period; or
- (B) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the Net Revenue from the portion of the System sold or disposed of for the preceding fiscal year bears to the total Net Revenue for such period; or
- (C) An amount equal to the fair market value of the portion of the System transferred. As used herein, “fair market value” means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the willing buyer and willing seller each acting prudently and knowledgeably and assuming that the price is not affected by coercion or undue stimulus.

The proceeds of any transfer under this paragraph shall be used (1) to promptly redeem, or irrevocably set aside for the redemption of, Parity Bonds, and/or (2) to provide for part of the cost of additions to and betterments and extensions of the System.

Before any such transfer under this paragraph, the District must obtain a certificate of an Independent Utility Consultant to the effect that in his or her professional opinion, upon such transfer and the use of proceeds of the transfer as proposed by the District, the remaining System will retain its operational integrity and the Net Revenue will be at least equal to the Coverage Requirement during the 5 fiscal years following the fiscal year in which the transfer is to occur, taking into account, (1) the reduction in revenue resulting from the transfer; (2) the use of any proceeds of the transfer for the redemption of Parity Bonds, (3) the Independent Utility Consultant’s estimate of revenue from customers anticipated to be served by any additions to and betterments and extensions of the System financed in part by the proposed portion of the proceeds of the transfer, and (4) any other adjustment permitted in the preparation of a certificate under Section 15(f)(ii). Before such a transfer, the District also must obtain confirmation from

each Rating Agency to the effect that the rating then in effect will not be reduced or withdrawn upon such transfer.

If the District is assumed by or merged or consolidated with a municipal corporation or other public or private entity other than (1) any other special purpose sewer, water, or sewer and water district under the provisions of Titles 56 or 57 RCW or the successor statutes, or (2) any public utility district created under the provisions of Title 54 RCW or successor statutes, then any outstanding Parity Bonds immediately shall be retired or defeased in accordance with their terms.

(d) Liens Upon the System. The District will not at any time create or permit to accrue or to exist any lien or other encumbrance or indebtedness upon the Gross Revenue, or any part thereof, prior or superior to the lien thereon that secures the payment of the Parity Bonds, and will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Gross Revenue, or any part thereof, prior or superior to, or on a parity with, the lien thereon that secures the payment of the Parity Bonds, or which might impair the security of the Parity Bonds.

(e) Books and Accounts. The District will keep proper books, records, and accounts with respect to the operations, income, and expenditures of the System in accordance with generally accepted accounting practices relating to municipal utilities and any applicable rules and regulations prescribed by the State, and will cause those books, records, and accounts to be audited on a regular basis by the State Auditor. The District will prepare annual financial and operating statements as soon as practicable after the close of each fiscal year showing in reasonable detail the financial condition of the System as of the close of the previous fiscal year.

(f) Collection of Delinquent Accounts and ULID Assessments. The District will, not later than March 1 of each year, take such legal action as may be feasible to enforce collection of all collectible delinquent accounts, and if on or before March 1 in any year two installments of any ULID Assessments have been delinquent for more than one year, the District will proceed with the foreclosure of the delinquent assessments or delinquent installments thereof in the manner required by law on or before September 1 of such year.

(g) Maintenance of Insurance. The District at all times will carry fire and extended coverage, public liability and property damage, and such other forms of insurance with responsible insurers and with policies payable to the District, on such of the buildings, equipment, works, plants, facilities, and properties of the System as are ordinarily carried by municipal or privately owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately owned utilities engaged in the operation of like systems, or the District will self insure or will participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the District, to protect the System and the Owners of the Parity Bonds against loss.

(h) Condemnation Awards and Insurance Proceeds. If the District receives any condemnation awards or proceeds of an insurance policy in connection with any loss of or damage to any property of the System, the District will apply the condemnation award or insurance proceeds, in the District's sole discretion, either (i) to the cost of replacing or repairing

the lost or damaged properties, (ii) to the payment, purchase, or redemption of Parity Bonds, or (iii) to the cost of improvements to the System.

Section 14. Flow of Funds. All ULID Assessments shall be paid into the Bond Fund. The Gross Revenue shall be used for the following purposes only and shall be applied in the following order of priority:

- (a) To pay the Operation and Maintenance Expenses;
- (b) To pay interest on Parity Bonds when due;
- (c) To pay the principal of Parity Bonds as it comes due at maturity or as the principal is required to be paid pursuant to mandatory redemption requirements applicable to Term Bonds;
- (d) To make all payments required to be made into the Reserve Account and all payments required to be made under any agreement relating to the provision of Reserve Insurance;
- (e) To make all payments required to be made into any revenue bond, note, warrant, or other revenue obligation redemption fund, debt service account, or reserve account created to pay or secure the payment of the principal of and interest on any revenue bonds, notes, warrants, or other obligations of the District having a lien upon the Gross Revenue junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and
- (f) To retire by redemption or purchase in the open market any outstanding revenue bonds or other revenue obligations of the System, to make necessary additional betterments, improvements, and repairs to or extensions and replacements of the System, to make deposits into the Rate Stabilization Account, or for any other lawful System purposes.

The District may transfer any money from any funds or accounts of the System legally available therefor, except bond redemption funds or refunding escrow, defeasance, or trust accounts, to meet the required payments to be made into the Bond Fund.

Section 15. Provisions for Future Parity Bonds. The District reserves the right to issue Future Parity Bonds for purposes of the System or to refund all or a portion of the Parity Bonds if the following conditions are met and complied with at the time of the issuance of those Future Parity Bonds:

- (a) There shall be no deficiency in the Bond Fund and no Event of Default as defined in Section 25 shall have occurred and be continuing.
- (b) The Parity Bond Authorizing Resolution shall provide that all assessments and interest thereon that may be levied in any ULID created for the purpose of paying, in whole or in part, the principal of and interest on those Future Parity Bonds, shall be paid directly into the Bond Fund, except for any prepaid assessments permitted by law to be paid into a construction fund or account.



(c) The Parity Bond Authorizing Resolution shall provide for the payment of the principal thereof and interest thereon out of the Bond Fund.

(d) The Parity Bond Authorizing Resolution shall provide for the payment of amounts into the Bond Fund to meet mandatory redemption requirements applicable to any Term Bonds to be issued and for regular payments to be made for the payment of the principal of such Term Bonds on or before their maturity, or, as an alternative, the mandatory redemption of those Term Bonds prior to their maturity date from money in the Principal and Interest Account.

(e) The Parity Bond Authorizing Resolution shall provide for the deposit into the Reserve Account of (i) an amount, if any, necessary to fund the Reserve Requirement, if any, upon the issuance of those Future Parity Bonds from Future Parity Bond proceeds or other money legally available, or (ii) Reserve Insurance or an amount of money plus Reserve Insurance necessary to fund the Reserve Requirement, if any, upon the issuance of those Future Parity Bonds.

(f) There shall be on file with the District either:

(i) a certificate of the General Manager, if supported by audited financial statements, demonstrating that during any twelve consecutive calendar months out of the immediately preceding 30 calendar months Net Revenue was at least equal to the Coverage Requirement for all Parity Bonds plus the Future Parity Bonds proposed to be issued (and assuming that the debt service of the proposed Future Parity Bonds for that twelve-month period was the Average Annual Debt Service for those Future Parity Bonds); or

(ii) a certificate of an Independent Utility Consultant to the effect that the Net Revenue for the five fiscal years next following the earlier of (A) the first fiscal year during which interest on those Future Parity Bonds is not fully capitalized or, if no interest is capitalized, the fiscal year in which the Future Parity Bonds are issued, or (B) the date on which substantially all new facilities financed with those Future Parity Bonds are expected to commence operations, such Net Revenue further adjusted as provided in subparagraphs (1) through (6) below, will be at least equal to the Coverage Requirement. The certificate, in estimating the Net Revenue, shall use the historical Net Revenue for any 12 consecutive months out of the 24 months immediately preceding the month of delivery of the Future Parity Bonds. That certificate may take into account the following adjustments:

- (1) Any changes in rates in effect and being charged, or rates expected to be charged in accordance with a program of specific rates, rate levels, or increases in overall rate revenue adopted by resolution;
- (2) Net revenue from customers of the System who have become customers during the 12 consecutive month period or thereafter, and his or her estimate of Net Revenue from

any customers to be connected to the System who have paid the required connection charges, adjusted to reflect one year's Net Revenue from those customers;

- (3) The additional Net Revenue that would have been received if any facility of the System which became fully operational after the beginning of such 12-month period had been so operating for the entire period;
- (4) The additional Net Revenue estimated by such Independent Utility Consultant to be received as a result of any additions, betterments, and improvements to and extensions of any facilities of the System which are (A) under construction at the time of such certificate or (B) will be constructed from the proceeds of the Future Parity Bonds to be issued;
- (5) His or her estimate of Net Revenue from customers anticipated to be served by facilities or improvements financed in substantial part by those Future Parity Bonds; and
- (6) Net Revenue from any person, firm, corporation, or municipal corporation under any executed contract for water or other utility service, which revenue was not included in the historical Net Revenue.

If the Future Parity Bonds proposed to be issued are for the sole purpose of refunding outstanding Parity Bonds, no such coverage certification shall be required if the Annual Debt Service on all Parity Bonds to be outstanding after the issuance of the Future Parity Bonds is not, for any fiscal year in which the Parity Bonds being refunded were outstanding, more than \$5,000 over the Annual Debt Service on all Parity Bonds outstanding prior to the issuance of those Future Parity Bonds.

Nothing contained herein shall prevent the District from issuing Future Parity Bonds to refund maturing Parity Bonds, money for the payment of which is not otherwise available, or revenue bonds that are a charge or lien upon the Gross Revenue subordinate to the charge or lien of the Parity Bonds, or from pledging the payment of ULID assessments into a bond redemption fund created for the payment of the principal of and interest on those junior lien bonds as long as such ULID assessments are levied for improvements constructed from the proceeds of those junior lien bonds.

Section 16. Separate Utility Systems. The District may create, acquire, construct, finance, own, and operate one or more additional systems for water supply, transmission, treatment, or other commodity or service. The revenue of that separate utility system shall not be included in the Gross Revenue and may be pledged to the payment of revenue obligations issued

to purchase, construct, condemn, or otherwise acquire or expand the separate utility system. Neither the Gross Revenue nor the Net Revenue shall be pledged by the District to the payment of any obligations of a separate utility system except (a) as a Contract Resource Obligation upon compliance with Section 17 and/or (b) with respect to the Net Revenue, on a basis subordinate to the lien of the Parity Bonds on that Net Revenue.

Section 17. Contract Resource Obligations. The District may at any time enter into one or more contracts or other obligations for the acquisition, from facilities to be constructed, of water supply, transmission, treatment, or other commodity or service relating to the System. The District may determine that such contract or other obligation is a Contract Resource Obligation, and may provide that all payments under that Contract Resource Obligation (including payments prior to the time that water supply, transmission, treatment, or other commodity or service is being provided, or during a suspension or after termination of supply or service) shall be Operation and Maintenance Expenses if the following requirements are met at the time such Contract Resource Obligation is entered into:

(a) No Event of Default as defined in Section 25 has occurred and is continuing.

(b) There shall be on file a certificate of an Independent Utility Consultant stating that (i) the payments to be made by the District in connection with the Contract Resource Obligation are reasonable for the supply, transmission, treatment, or other service rendered; (ii) the source of any new supply, and any facilities to be constructed to provide the supply, transmission, treatment, or other service, are sound from a water or other commodity supply or transmission planning standpoint, are technically and economically feasible in accordance with prudent utility practice, and are likely to provide supply or transmission or other service no later than a date set forth in the Independent Utility Consultant's certification; and (iii) the Net Revenue (further adjusted by the Independent Utility Consultant's estimate of the payments to be made in accordance with the Contract Resource Obligation) for the five fiscal years following the year in which the Contract Resource Obligation is incurred, as such Net Revenue is estimated by the Independent Utility Consultant (with such estimate based on such factors as he or she considers reasonable), will be at least equal to the Coverage Requirement.

Payments required to be made under Contract Resource Obligations shall not be subject to acceleration.

Nothing in this Section shall be deemed to prevent the District from entering into other agreements for the acquisition of water supply, transmission, treatment, or other commodity or service from existing facilities and from treating those payments as Operation and Maintenance Expenses. Nothing in this Section shall be deemed to prevent the District from entering into other agreements for the acquisition of water supply, transmission, treatment, or other commodity or service from facilities to be constructed and from agreeing to make payments with respect thereto, such payments constituting a lien and charge on Net Revenue subordinate to that of Parity Bonds.

Section 18. Reimbursement Obligations. If the District elects to meet the Reserve Requirement, if any, or any portion thereof through the use of Reserve Insurance or elects to

secure any issue of Parity Bonds through the use of Bond Insurance, the District may contract with the entity providing such Reserve Insurance or Bond Insurance to the effect that the District's reimbursement obligation, if any, to such entity ranks on a parity of lien with the Parity Bonds.

Section 19. Federal Income Tax Matters.

(a) Preservation of Tax Exemption for Interest on Tax-Exempt Bonds. The District covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the District treated as proceeds of the Bonds that will cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The District also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bonds.

(b) Post-Issuance Compliance. The Designated Representative or other proper District official is authorized and directed to adopt, review, amend, and implement the District's written procedures to facilitate compliance by the District with the covenants in this Section and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes.

(c) Certain Refunding Bonds Deemed Designated as "Qualified Tax-Exempt Obligations." The Refunding Bonds, to the extent the amount of the Refunding Bonds does not exceed the amount of the Refunded Portion, shall be deemed designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code if:

(i) the average maturity date of the Refunding Bonds is not later than the average maturity date of the Refunded Portion;

(ii) the Refunding Bonds have a maturity date that is not later than the date that is 30 years after April 3, 2006 (the date the original tax-exempt obligations refunded by the Refunded Portion were issued); and

(iii) the aggregate face amount of the Series that includes the Refunding Portion does not exceed \$10,000,000.

(d) Designation of Certain Tax-Exempt Bonds as "Qualified Tax-Exempt Obligations." To the extent the Refunding Bonds are not deemed designated as "qualified tax-exempt obligations" pursuant to subsection (c) of this Section, the Designated Representative may designate a Series as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code if the following conditions are met:

(i) the Series does not constitute "private activity bonds" within the meaning of Section 141 of the Code;

(ii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation, such as Refunding Bonds that are deemed designated as “qualified tax-exempt obligations” pursuant to subsection (c) of this Section) that the District and any entity subordinate to the District (including any entity that the District controls, that derives its authority to issue tax-exempt obligations from the District, or that issues tax-exempt obligations on behalf of the District) will issue during the calendar year in which the Series is issued will not exceed \$10,000,000; and

(iii) the amount of tax-exempt obligations, including the Series, designated by the District as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series is issued does not exceed \$10,000,000.

Section 20. Refunding or Defeasance of the Bonds. The District may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the District sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”) money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund, or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this resolution and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Registered Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account, and the defeased Bonds shall be deemed no longer outstanding. In that event, the District may apply money in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose.

Unless otherwise specified by the District in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this resolution for the redemption of Bonds.

If the refunding or defeasance plan provides that the defeased Bonds to be issued be secured by money and/or Government Obligations pending the redemption of the defeased Bonds and if such refunding plan also provides that certain money and/or Government Obligations are pledged irrevocably for the redemption of the defeased Bonds included in that refunding plan, then only the debt service on the Bonds which are not defeased Bonds and the refunding bonds, the payment of which is not so secured by the refunding plan, shall be included in the computation of the Coverage Requirement for the issuance of Future Parity Bonds and the annual computation of the Coverage Requirement for determining compliance with the rate covenants.

Section 21. Deposit of Bond Proceeds.

(a) Refunding. Proceeds from issuance and sale of the Refunding Bonds shall be used on the Prepayment Date to prepay the Refunded Portion. The Designated Representative is authorized and directed: (i) to determine the outstanding principal amount of the 2016 Bond, if any, to be refunded; (ii) to determine the Prepayment Date in accordance with the 2016 Bond Resolution; (iii) to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the 2016 Bond Resolution; and (iv) to take all other actions necessary to effect the redemption of the Refunded Bonds on the Prepayment Date. Prior to determining that any or all of the outstanding principal amount of the 2016 Bond is to be refunded, the Designated Representative shall determine in writing that the savings that will be effected (as measured by the difference between the principal and interest cost over the life of the Refunding Bonds and the principal and interest cost over the life of the Refunded Portion, but for such refunding) is equal to at least the percentage savings set forth in Exhibit A. In making such determination, the Designated Representative shall give consideration to the fixed maturities of the Refunding Bonds and the Refunded Portion and the costs of issuance of the Refunding Bonds. Notwithstanding the foregoing provisions of this subsection or any other provision of this resolution, the Designated Representative may determine, in lieu of the District issuing Refunding Bonds to refund the Refunded Portion, to negotiate modifications to the Refunded Portion so long as such modifications effect a savings consistent with the provisions of this resolution pertaining to refunding the Refunded Portion.

(b) Construction Fund. Proceeds from issuance and sale of all other Bonds shall be deposited in the previously created and established Capital and Construction Account of the District (the "Construction Fund") or such other funds or accounts of the District as directed by the Board and used to pay costs of the Improvements and costs of issuance and sale of the Bonds. Until needed to pay such costs, the District may invest proceeds in the Construction Fund temporarily in any legal investment for water districts under State law, and the investment earnings may be retained in the Construction Fund and be spent for the purposes of that fund except that earnings subject to a federal tax or rebate requirement may be withdrawn from the Construction Fund and used for those tax or rebate purposes. Any amounts remaining in the Construction Fund after completion of the Improvements may be used to carry out any other elements of the Comprehensive Plan or may be deposited in the Bond Fund.

Section 22. Approval of Bond Purchase Contract; Delivery of Bonds. The Designated Representative is authorized to sell each Series of the Bonds by negotiated sale or private placement, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate District officials and staff, the District's municipal and other advisors, and Bond Counsel. In determining the method of sale of a Series and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the District. The Designated Representative shall select one or more Purchasers with which to negotiate each sale. The Bond Purchase Contract for each Series shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Contract on behalf of the District, so long as the terms provided therein are consistent with the terms of this resolution. The Bonds will be prepared at District expense and will be delivered to the Purchaser

in accordance with the Bond Purchase Contract, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 23. Official Statement; Continuing Disclosure.

(a) Preliminary Official Statement Deemed Final. The Designated Representative shall review the form of the preliminary Official Statement prepared in connection with the sale of each Series to the public or through a Purchaser as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The District approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been approved by the Designated Representative and, if applicable, deemed final in accordance with this subsection.

(b) Approval of Final Official Statement. The District authorizes the preparation of a final Official Statement for each Series to be sold to the public or through a Purchaser as a placement agent in the form of the preliminary Official statement that has been approved and, if applicable, deemed final in accordance with subsection (a) of this Section, with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser. The District authorizes and approves the distribution by the Purchaser of the final Official Statement to purchasers and potential purchasers of the Series.

(c) Undertaking to Provide Continuing Disclosure. If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for the Series, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Series in substantially the form attached as Exhibit B.

Section 24. Amendatory and Supplemental Resolutions.

(a) Modifications and Amendments Limited. This resolution shall not be modified or amended in any respect subsequent to the initial issuance of the Bonds, except as provided in and in accordance with and subject to the provisions of this Section.

(b) Supplemental Resolutions without Consent. The District, from time to time, and at any time, without the consent of or notice to the Registered Owners, may adopt supplemental or amendatory resolutions as follows:

(i) To cure any formal defect, omission, inconsistency, or ambiguity in this resolution in a manner not adverse to the registered owner of any Parity Bond;

(ii) To impose upon the Registrar (with its consent) for the benefit of the Registered Owners any additional rights, remedies, powers, authority, security, liabilities, or duties that may lawfully be granted, conferred,

or imposed and that are not contrary to or inconsistent with this resolution as theretofore in effect;

(iii) To add to the covenants and agreements of, and limitations and restrictions upon, the District in this resolution, other covenants, agreements, limitations, and restrictions to be observed by the District which are not contrary or inconsistent with this resolution as theretofore in effect;

(iv) To confirm, as further assurance, any pledge under, and the subjection to any claim, lien, or pledge created or to be created by this resolution of any other money, securities, or funds;

(v) To authorize different denominations of the Bonds and to make correlative amendments and modifications to this resolution regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations, and similar amendments and modifications of a technical nature;

(vi) To modify, alter, amend, or supplement this resolution in any other respect which is not materially adverse to the registered owners of the Parity Bonds and which does not involve a change described in subsection (c) of this Section;

(vii) Because of change in federal law or rulings, to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes; and

(viii) To add to the covenants and agreements of, and limitations and restrictions upon, the District in this resolution, other covenants, agreements, limitations, and restrictions to be observed by the District which are requested by a provider of Reserve Insurance or Bond Insurance and which are not materially adverse to the registered owners of the Parity Bonds.

Before the Board adopts any such supplemental resolution pursuant to this subsection, there shall have been delivered to the District and the Registrar an opinion of Bond Counsel, stating that such supplemental resolution is authorized or permitted by this resolution and will, upon the execution and delivery thereof, be valid and binding upon the District in accordance with its terms, and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(c) Supplemental Resolutions by Consent.

(i) Except for any supplemental resolution entered into pursuant to subsection (b) of this Section, subject to the terms and provisions contained in this subsection and not otherwise, registered owners of not less than 60% in aggregate principal amount of the Parity Bonds then outstanding shall have the right from time to time to consent to and approve the adoption by the Board of any supplemental resolution deemed necessary or desirable by the



District for the purpose of modifying, altering, amending, supplementing, or rescinding, in any particular, any of the terms or provisions contained in this resolution; except that, unless approved in writing by the registered owners of all Parity Bonds then outstanding, nothing contained in this subsection shall permit, or be construed as permitting:

- (1) A change in the times, amounts, or currency of payment of the principal of or interest on any outstanding Parity Bond, or a reduction in the principal amount or redemption price of or rate of interest on any outstanding Parity Bond, or
- (2) A preference or priority of any Parity Bond or Parity Bonds over any other Parity Bond or Parity Bonds, or
- (3) A reduction in the aggregate principal amount of Parity Bonds, the consent of the registered owners of which is required for any such supplemental resolution.

(ii) If at any time the District adopts any supplemental resolution for any of the purposes of this subsection, the Registrar shall cause notice of the proposed supplemental resolution to be given by first class United States mail to all registered owners of the Parity Bonds then outstanding, to any provider of Bond Insurance, and to each Rating Agency maintaining a rating on the Bonds at the request of the District. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy thereof is on file at the office of the Registrar for inspection by all registered owners of all Parity Bonds then outstanding.

(iii) Within two years after the date of the mailing of such notice, the District may adopt such supplemental resolution in substantially the form described in such notice, but only if there shall have first been delivered to the Registrar (A) the required consents, in writing, of the registered owners of the Parity Bonds, and (B) an opinion of Bond Counsel stating that such supplemental resolution is authorized or permitted by this resolution and, upon the execution and delivery thereof, will be valid and binding upon the District in accordance with its terms, and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(iv) If registered owners of not less than the percentage of Parity Bonds required by this subsection have consented to and approved the execution and delivery of a supplemental resolution, no owner of Parity Bonds shall have any right to object to the adoption of such supplemental resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the District or the Registrar from adopting the same or from taking any action pursuant to the provisions thereof.

(d) Consent of Registered Owners. The Registered Owner of each Bond, by taking and holding the Bond, shall be deemed to have consented to the adoption by the District of any supplemental resolution for any one or more of the following purposes:

(i) To include in the definition of “Gross Revenue” federal tax credit payments received by the District in respect of Parity Bonds;

(ii) To permit or require federal tax credit payments received or expected to be received by the District in respect of Parity Bonds in any fiscal year to be credited against amounts required to be paid in respect of principal of and interest on the Parity Bonds in that fiscal year in calculating “Annual Debt Service”;

(iii) To permit or require federal tax credit payments received in respect of Parity Bonds to be deposited into the Principal and Interest Account and credited against the Net Revenue otherwise required to be deposited into the Principal and Interest Account; and

(iv) To establish, as the “assumed bond index-based rate,” the rate that is equal to the higher of (A) the average of the SIFMA Municipal Swap Index over the 60-month period immediately preceding the date of computation and (B) the average of the SIFMA Municipal Swap Index over the 12-month period immediately preceding the date of computation.

(e) Supplemental Resolutions Binding. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this resolution shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this resolution of the District, the Registrar and all registered owners of Parity Bonds, shall thereafter be determined, exercised and enforced under this resolution subject in all respects to such modifications and amendments.

#### Section 25. Defaults and Remedies.

(a) Events of Default. The following shall constitute “Events of Default” with respect to the Bonds:

(i) If a default is made in the payment of the principal of or interest on any of the Bonds when the same shall become due and payable; or

(ii) If the District defaults in the observance and performance of any other of the covenants, conditions and agreements on the part of the District set forth in this resolution or any covenants, conditions, or agreements on the part of the District contained in any Parity Bond Authorizing Resolution and such default or defaults have continued for a period of six months after the District has received from the Bondowners’ Trustee (as defined below) or from the registered owners of not less than 25% in principal amount of the Parity Bonds, a written notice specifying and demanding the cure of such default. However, if the default in the observance and performance of any other of the

covenants, conditions and agreements is one which cannot be completely remedied within the six months after written notice has been given, it shall not be an Event of Default with respect to the Bonds as long as the District has taken active steps within the six months after written notice has been given to remedy the default and is diligently pursuing such remedy.

(iii) If the District files a petition in bankruptcy or is placed in receivership under any state or federal bankruptcy or insolvency law.

(b) Bondowners' Trustee. So long as such default has not been remedied, a bondowners' trustee (the "Bondowners' Trustee") may be appointed by the registered owners of 25% in principal amount of the Parity Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Parity Bonds or by their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to the District. That appointment shall become effective immediately upon acceptance thereof by the Bondowners' Trustee. Any Bondowners' Trustee appointed under the provisions of this subsection shall be a bank or trust company organized under the laws of the State or the State of New York or a national banking association. The bank or trust company acting as Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed, by the registered owners of a majority in principal amount of the Parity Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Parity Bonds or by their attorneys-in-fact duly authorized. The Bondowners' Trustee may require such security and indemnity as may be reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties.

In the event that any Event of Default in the sole judgment of the Bondowners' Trustee is cured and the Bondowners' Trustee furnishes to the District a certificate so stating, that Event of Default shall be conclusively deemed to be cured and the District, the Bondowners' Trustee and the registered owners of the Parity Bonds shall be restored to the same rights and position which they would have held if no Event of Default had occurred.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the registered owners of all the Parity Bonds and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.

(c) Suits at Law or in Equity. Upon the happening of an Event of Default and during the continuance thereof, the Bondowners' Trustee may, and upon the written request of the registered owners of not less than 25% in principal amount of the Parity Bonds outstanding shall, take such steps and institute such suits, actions, or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the registered owners of the Parity Bonds, to collect any amounts due and owing to or from the District, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement, or condition contained in any Parity Bond Authorizing Resolution or in any of the Parity Bonds.

Nothing contained in this Section shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Parity Bonds, and the

remedy of acceleration is expressly denied to the registered owners of the Parity Bonds under any circumstances including, upon the occurrence and continuance of an Event of Default.

Any suit, action, or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the registered owners and all such rights of action upon or under any of the Parity Bonds or the provisions of this resolution may be enforced by the Bondowners' Trustee without the possession of any of the Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any such suit, action, or proceeding instituted by the Bondowners' Trustee shall be brought for the ratable benefit of all of the registered owners of those Parity Bonds, subject to the provisions of this resolution. The respective registered owners of the Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective registered owners of those Parity Bonds, with authority to institute any such suit, action, or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of those Parity Bonds; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the registered owner himself or herself might have done in person. Nothing herein shall be deemed to authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf of any registered owner of the Parity Bonds, any plan of reorganization or adjustment affecting the Parity Bonds or any right of any registered owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the registered owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization, or other proceeding to which the District is a party.

(d) Application of Money Collected by Bondowners' Trustee. Any money collected by the Bondowners' Trustee at any time pursuant to this Section shall be applied in the following order of priority:

(i) first, to the payment of the charges, expenses, advances and compensation of the Bondowners' Trustee and the charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys; and

(ii) second, to the payment to the persons entitled thereto of all installments of interest then due on the Parity Bonds in the order of maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

(iii) third, to the payment to the persons entitled thereto of the unpaid principal amounts of any Parity Bonds which shall have become due (other than Parity Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

(e) Duties and Obligations of Bondowners' Trustee. The Bondowners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bondowners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Bondowners' Trustee shall have no liability for any act or omission to act hereunder except for the Bondowners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bondowners' Trustee shall be determined solely by the express provisions of this resolution, and no implied powers, duties, or obligations of the Bondowners' Trustee shall be read into this resolution.

The Bondowners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bondowners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct.

The Bondowners' Trustee shall not be bound to recognize any person as a registered owner of any Parity Bond until his or her title thereto, if disputed, has been established to its reasonable satisfaction.

The Bondowners' Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Bondowners' Trustee shall not be answerable for any neglect or default of any person, firm, or corporation employed and selected by it with reasonable care.

(f) Suits by Individual Bondowners Restricted. Neither the registered owner nor the beneficial owner of any one or more of Parity Bonds shall have any right to institute any suit, action, or proceeding at law or in equity for the enforcement of same unless:

(i) a default under this resolution has happened and is continuing; and

(ii) a Bondowners' Trustee has been appointed; and

(iii) such owner previously shall have given to the Bondowners' Trustee written notice of the default on account of which such suit, action, or proceeding is to be instituted; and

(iv) the registered owners of 25% in principal amount of the Parity Bonds, after the occurrence of such default, have made written request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a reasonable opportunity to institute such suit, action, or proceeding; and

(v) there have been offered to the Bondowners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and

(vi) the Bondowners' Trustee has refused or neglected to comply with such request within a reasonable time.

No registered owner or beneficial owner of any Parity Bond shall have any right in any manner whatever by his or her action to affect or impair the obligation of the District to pay from the Net Revenue the principal of and interest on the Parity Bonds to the respective registered owners thereof when due.

Section 26. Parties Interested Herein. Nothing expressed or implied in this resolution is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District and the Registered Owners, any right, remedy or claim under or by reason of this resolution or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements in this resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District and the Registered Owners.

Section 27. General Authorization and Ratification. The Designated Representative and other appropriate officers of the District and Bond Counsel are individually authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this resolution and the Bond Purchase Contract, and to do everything necessary for the issuance, sale, and delivery of each Series to the Purchaser and for the proper application, use, and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.

Section 28. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 29. Section Headings. The section headings in this resolution are used for convenience only and shall not constitute a substantive portion of this resolution.

Section 30. Effective Date of Resolution. This resolution shall take effect and be in force immediately upon its adoption.

ADOPTED by the Board of Water Commissioners of Lakewood Water District, Pierce County, Washington, at an open public meeting held pursuant to Proclamation 20-28 made by the Governor of the State of Washington on March 24, 2020, as extended, and acts of the legislative leadership of the State of Washington, this 24th day of June, 2021.

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President and Commissioner

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Commissioner

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Secretary and Commissioner

## **EXHIBIT A**

### **PARAMETERS FOR FINAL TERMS**

- (a) Principal Amount. The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of \$12,000,000.
- (b) Date. Each Bond shall be dated the Issue Date, which date may not be later than one year after the effective date of this resolution.
- (c) Denominations, Name. The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rates. Each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. No rate of interest for any Bond may exceed 5.00%, and the true interest cost to the District for the Bonds may not exceed 4.00%.
- (e) Payment Dates. Interest shall be payable at fixed rates semiannually on dates acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments annually thereafter, on dates acceptable to the Designated Representative.
- (f) Final Maturity. The Refunding Bonds shall mature no later than six months after the final maturity of the Refunding Portion. All other Bonds shall mature no later than the date that is 31 years after the Issue Date.
- (g) Redemption Rights. The Designated Representative may approve in the Bond Purchase Contract provisions for the optional and mandatory redemption of Bonds, subject to the following:
- (1) Optional Redemption. Any Bond may be designated



as being (A) subject to redemption at the option of the District prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Contract; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

(2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Contract.

(h) Price.

The purchase price for each Series may not be less than 95% or more than 140% of the stated principal amount of the Series.

(i) Other Terms and Conditions.

(1) Credit Enhancement. The Designated Representative may determine whether it is in the District's best interest to provide for Reserve Insurance or Bond Insurance and may accept such additional terms, conditions, and covenants and execute and deliver such agreements in connection therewith as he or she may determine are in the best interests of the District, consistent with this resolution.

(2) Parity Conditions. On the Issue Date, the Designated Representative shall establish that the Parity Conditions have been met and complied with.

(3) Tax Status. On the Issue Date, the Designated Representative shall determine whether or not each Series is to be Tax-Exempt Bonds.

(4) Minimum Savings. The Refunding Bonds shall produce a minimum net present value savings to the District and its ratepayers of at least 1.00% (as a percentage of the Refunded Portion). Net present value savings means the aggregate difference between debt service on the Refunded Portion, less debt service on the Refunding Bonds (including expenses related to costs of issuance of the Bonds), discounted to the Issue Date using the yield on the Bonds as the discount rate, plus excess cash, if any,

distributed to the District on the Issue Date, and less the amount of additional money of the District contributed to the refunding, if any, on the Issue Date.

## **EXHIBIT B**

**[Form of]**

### **UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

#### **Lakewood Water District, Pierce County, Washington Water Revenue [and Refunding] Bonds, [Series]**

Lakewood Water District, Pierce County, Washington (the “District”), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Resolution No. B-1469 of the District (the “Bond Resolution”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The District undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

- (i) Annual financial information and operating data of the type included in the final official statement for the Bonds, as described in paragraph (b) (“annual financial information”);
- (ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Bond holders, if material; (8) Bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, as such events are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a

financial obligation of the District, as such term is defined in Rule 15c2-12, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Bond holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(iii) Timely notice of a failure by the District to provide required annual financial information described in paragraph (b)(i) on or before the date specified in paragraph (b)(ii).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the District undertakes to provide in paragraph (a):

(i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the District, as such principles may be changed from time to time; (2) a statement of authorized, issued, and outstanding bonded debt secured by Net Revenue; (3) debt service coverage ratios; and (4) general customer statistics for the System;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the District (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the District's fiscal year ending December 31, 2021; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

If not submitted as part of the annual financial information described in paragraph (b)(i), the District will provide or cause to be provided to the MSRB audited financial statements, when and if available.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency, or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The District will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the District and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The District's obligations under this Undertaking shall terminate upon the legal defeasance, maturity, or prior redemption of all of the Bonds. In addition, the District's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the District to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the District, and the District provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the District learns of any failure to comply with this Undertaking, the District will proceed with due diligence to cause such noncompliance to be corrected. No failure by the District or other obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the District or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Director or his or her designee is the person designated, in accordance with the Bond Resolution, to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

- (i) Preparing and filing the annual financial information undertaken to be provided;
- (ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, if necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;
- (iii) Determining whether any person other than the District is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;
- (iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the District in carrying out this Undertaking; and
- (v) Effecting any necessary amendment of this Undertaking.

## CERTIFICATION

I, the undersigned, Secretary of the Board of Water Commissioners (the “Board”) of Lakewood Water District, Pierce County, Washington (the “District”), hereby certify as follows:

1. The attached copy of Resolution No. B-1469 (the “Resolution”) is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Board held at the regular meeting place thereof on June 24, 2021, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect.

2. A quorum of the members of the Board was present throughout the meeting and a majority of the members voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of June, 2021.

LAKWOOD WATER DISTRICT  
PIERCE COUNTY, WASHINGTON

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Gary J. Barton, Secretary of the Board

**Recommendation for Organization Restructure**  
**Randall M. Black, General Manager**  
**June 24, 2021**

In 1997, the District first embarked on the quest to diversify its business model by stepping into the wholesale provider arena with the Town of Steilacoom. The Board of Commissioners made the conscious decision to expand its business model in order to keep rates as low as possible for District customers when it purchased the Abitibi water rights in 2005, becoming a regional wholesale water provider.

Over the last eleven years, the District has greatly changed in its mission and focus. The mission transitioned from not only being a retail service provider but also a wholesale provider when it started delivering water to Summit Water and Supply Co. in 2012, adding in two more customers in 2020, Firgrove Mutual Water Company and Washington Water Service. Beginning in 2022, Spanaway Water Company will begin to receive water no later than January 1, 2023.

The focus of the District over the past several years has been on rehabilitation and replacement of infrastructure to ensure delivery and reliability of the system for retail customers and wholesale. Additionally, the concentrated area of Pumping and Water Treatment has consumed manpower and resources to ensure water quality and reliability to both areas of service by the District.

The stakes are way too high not to have the manpower (staffing) and targeted management focus in these two areas. Over the years, there has been an increasing need to separate management support to address all necessary areas to ensure accountability directly between staff and management.

Today and going forward the District must be able to respond to the ever-changing industry standards, environmental conditions, and mandated regulations we are facing in our future to maintain our vision and mission statements. In other words, our organizational structure needs to change with the above to address those needs for the best of the District and to be sustainable, flexible, and nimble in an ever-changing business environment in order to serve in the best interests of our customers.

For the past six decades, the organizational structure consisted of General Manager, Superintendent, and Foreman, which worked and fit the needs for many years. However, about 16 years ago, the District began to transition from its earlier structure to the structure of today, morphing into a specialized structure needing manager-level expertise to supervise specific areas: Engineering, Operations and Maintenance, Pumping and Water Treatment, IT, Customer Service, and Finance. As part of this

changing structure, since the retirement of David Logan, we have realigned management staff who previously reported to him to report directly to me.

The following members of leadership report to me directly: Ian Black, Philip Mendoza, Teri MacDougall, Christian Fast, Marshall Meyer, and Briana Levo as HR and, of course, Christie as my Executive Assistant and District Secretary (secretary to the Board).

I am recommending we revise the organizational chart here included to reflect the size of our organization and nature of what, for the most part, we are currently doing, with modifications to the following:

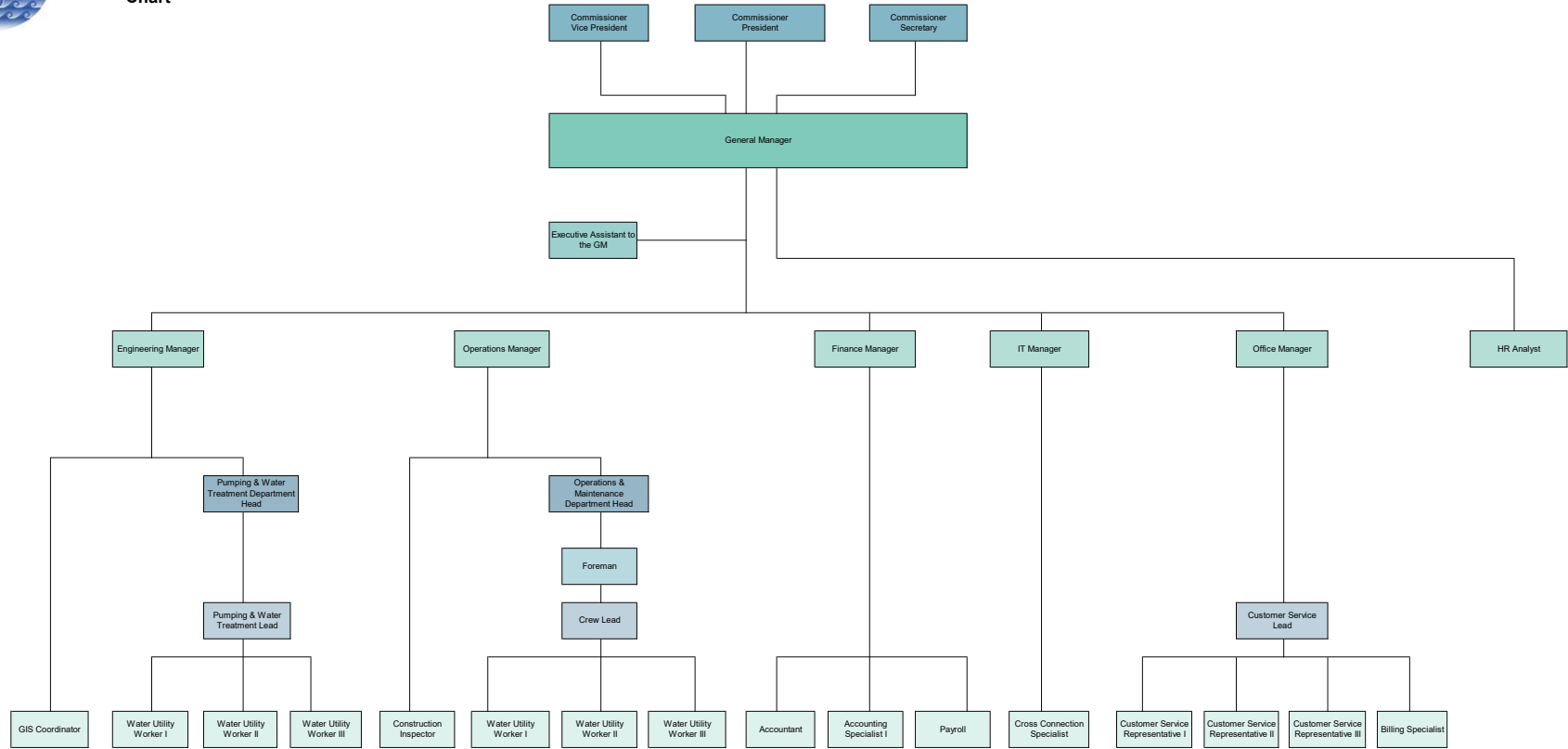
Title Changes for equity and cohesiveness for Teri MacDougall from Office Supervisor to Office Manager, Philip Mendoza from Finance Director to Finance Manager, Ian Black from Superintendent to Operations Manager, and designating Marshall Meyer as Engineering Manager and supervisor of the Pumping and Water Treatment Department.

This proposed organizational change is similar to structures used by many other Special Purpose Districts. Attached is the proposed organizational chart for the District.





# Organizational Chart



LAKWOOD WATER DISTRICT SUCCESSION PLANNING STATUS WORKSHEET

2021

Position Title	Rank	Position Name	Incumbent Name	Retirement Status	Criticality	Ready Now	Ready in 1-2 Yrs	Planning Priorities
General Manager	1	Randy Black	Unknown/Outside	B (2.5) 2023	1	0	0	High
Engineering Manager	3	Marshall Meyer	Outside	F	2	0	0	High
Operations Manager	4	Ian Black	Within District/Outside	F	2	0	0	High
Finance Manager	5	Philip Mendoza	Outside	F	1	0	1	High
GM's Executive Asst., PR, Public Info	11	Christie Butler	Outside	B (2.5) 2023	2	0	1	Medium
HR Analyst	6	Briana Levo	Outside	F	2	0	0	Medium
Office Manager	10	Teri MacDougall	Doreen Funderburk	F	2	0	2	Medium
Operations & Maintenance Dept Head	8	Bobby Gaskin	Chris Bullard, Eric Schwind, Bob Brooks	D (6) 2027	2	4	2	Low
Accountant	16	Marika Thomas	Michelle Kohler	F	2	0	1	Medium
Foreman/Safety Officer	9	Sandy Rae	Bob Brooks, Chris Bullard, Eric Schwind	B (2.5) 2023	2	3	2	Low
Pumping & Water Treatment Dept Head	7	Don Stanley	Zac Smith, Jacob Lea	F	2	2	2	Low
Pumping & Water Treatment Lead	12	Zac Smith	Jacob Lea	F	2	1	4	Low
Crew Lead	13	Chris Bullard	Eric Schwind, Bob Brooks	F	2	4	4	Low
Construction Inspector	18	Sam Bosma	Chris Bullard, Jordan Daulbaugh	C (4) 2025	3	2	1	Medium
Customer Service Lead	15	Doreen Funderburk	Carrie Bledsoe	F	2	1	2	Medium
IT Manager	2	Christian Fast	Outside	F	1	0	0	High
GIS Coordinator	14	Kevin Wyckoff	Outside	F	1	0	0	Medium
Cross Connection Specialist	17	Shaun Jorgensen	Auburn Avery, Kegan Rounds, Brent Davison	F	2	1	3	Medium
Water Utility Worker III		Jacob Lea	Non-Critical	F	2	1	3	Low
Water Utility Worker III		Eric Schwind	Non-Critical	F	2	2	4	Low
Water Utility Worker I		To be hired 6/21	Non-Critical	F	3	3	2	Low
Water Utility Worker III		Bob Brooks	Non-Critical	F	3	2	2	Low
Water Utility Worker II		Jordan Daulbaugh	Non-Critical	F	3	2	2	Low
Water Utility Worker I		Clark Pulk	Non-Critical	F	3	4	6	Low
Water Utility Worker I		Kegan Rounds	Non-Critical	F	3	4	6	Low
Water Utility Worker II		Ryan Alvis	Non-Critical	F	3	4	6	Low
Water Utility Worker I		Kyle Lawson	Non-Critical	F	3	4	6	Low
Water Utility Worker I		Brent Davison	Non-Critical	F	3	4	6	Low
Water Utility Worker I		Rod Bowen	Non-Critical	F	3	3	6	Low
Water Utility Worker I		Auburn Avery	Non-Critical	F	3	3	6	Low
Water Utility Worker I		Tyler Marsh	Non-Critical	F	3	3	6	Low
Water Utility Worker I		Lucas Robinson	Non-Critical	F	3	3	6	Low
Billing Specialist		Amber Dickens	Non-Critical	F	2	2	3	Low
Customer Service Rep III		Carrie Bledsoe	Non-Critical	F	3	3	2	Low
Accounting Specialist I		Michelle Kohler	Carrie Bledsoe	F	2	1	2	Medium
Customer Service Rep I		Megan Golden	Non-Critical	F	3	3	2	Low
Customer Service Rep I		Deborah Fast	Non-Critical	F	3	2	2	Low
Customer Service Rep I		Luke Nishiko	Non-Critical	F	3	2	2	Low

**Retirement Status:**

- A: Likely within 2 years
- B: Likely within 3 years
- C: Likely within 6 years
- D: Likely within 8 years
- F: More than 10 years

- 1: Critical = must "hit ground running"
- 2: Very Important = Fully functional within 6 months
- 3: Important = Must be able to perform within 18 mos.

**Per District res. No. B-1439, an employee planning to retire is requested to submit a 2-yr. notice.**

**50%** Employees with 5 yrs or less w/LWD

**Next retiring**

Customer Service Rep I	Luke Nishiko	Non-Critical	F	3	2	2	Low
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0.5

Lakewood Water District  
**R-2 WELL PROJECT Job #803**  
 Bid Opening: JUNE 17, 2021 at 2:00PM

Bid				Engineer's Estimate PGG		Holt Services Edgewood, WA		Hokkaido Drilling Graham, WA	
Item	Description of Item	Unit	Qty	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mobilization/Demobilization	L.S.	1	\$ 60,000.00	\$ 60,000.00	\$ 45,000.00	\$ 45,000.00	\$ 75,000.00	\$ 75,000.00
2	Install 24-inch Surface/Formation Seal (include:	L.F.	100	\$ 685.00	\$ 68,500.00	\$ 525.00	\$ 52,500.00	\$ 1,000.00	\$ 100,000.00
3	20-inch Drive Shoe	EA	1	\$ 4,375.00	\$ 4,375.00	\$ 3,500.00	\$ 3,500.00	\$ 3,000.00	\$ 3,000.00
4	16-inch Drive Shoe	EA	1	\$ 3,125.00	\$ 3,125.00	\$ 3,000.00	\$ 3,000.00	\$ 2,500.00	\$ 2,500.00
5	Drill 20-inch Borehole Below Formation Seal (tc	L.F.	200	\$ 325.00	\$ 65,000.00	\$ 225.00	\$ 45,000.00	\$ 300.00	\$ 60,000.00
6	Furnish and Install 20-Inch Well Casing (includ	L.F.	301	\$ 125.00	\$ 37,625.00	\$ 140.00	\$ 42,140.00	\$ 200.00	\$ 60,200.00
7	Drill 16-inch Borehole Below Casing Reduction	L.F.	300	\$ 280.00	\$ 84,000.00	\$ 200.00	\$ 60,000.00	\$ 300.00	\$ 90,000.00
8	Furnish and Install 16-Inch Well Casing (includ	L.F.	602	\$ 125.00	\$ 75,250.00	\$ 120.00	\$ 72,240.00	\$ 200.00	\$ 120,400.00
9	16-inch Drive Shoe Cut	EA	1	\$ 15,000.00	\$ 15,000.00	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
10	Furnish Screen Assembly and Other Materials	Cost + 15%	N/A	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
11	Authorized Hourly Work (screen fabrication, ins	HR.	60	\$ 475.00	\$ 28,500.00	\$ 400.00	\$ 24,000.00	\$ 400.00	\$ 24,000.00
12	Credit for 16-inch Casing Removed	L.F.	35	\$ (5.00)	\$ (175.00)	\$ 10.00	\$ 350.00	\$ -	\$ -
13	Furnish and Install Pumping Test Equipment ar	L.S.	1	\$ 18,750.00	\$ 18,750.00	\$ 12,500.00	\$ 12,500.00	\$ 35,000.00	\$ 35,000.00
14	Hourly Work for Pumping Tests	HR.	30	\$ 425.00	\$ 12,750.00	\$ 350.00	\$ 10,500.00	\$ 400.00	\$ 12,000.00
15	Extra Materials	Cost + 15%	N/A	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
16	Standby Time	HR.	8	\$ 450.00	\$ 3,600.00	\$ 300.00	\$ 2,400.00	\$ 400.00	\$ 3,200.00
<b>SUBTOTAL</b>									
					\$ 503,800.00		\$ 410,630.00		\$ 632,800.00
					\$ 49,876.20		\$ 40,652.37		\$ 62,647.20
<b>TOTAL BID</b>					\$ 553,676.20		\$ 451,282.37		\$ 695,447.20

1

2

Yellow denotes corrected error in Bid

Lakewood Water District  
**SCOTT WELL SITE TREATMENT PROJECT** Job #778  
 Bid Opening; JUNE 22, 2021 at 10:00AM

**Engineer's Estimate: \$6 to \$7 million with sales tax**

Bid			Engineer's Estimate <i>Kennedy-Jenks</i>		Harbor Pacific Contractors, Inc. Woodinville, WA 98072		McClure & Sons, Inc. Mill Creek, WA 98012	
Item	Description of Item	Unit Qty	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mob. Demob. Prep. Cleanup, Sch A/B	LS 1	\$ 578,002.36	\$ 578,002.36	\$ 350,000.00	\$ 350,000.00	\$ 325,000.00	\$ 325,000.00
2	Trench Safety & Shoring, Sch A/B	LS 1	\$ 10,000.00	\$ 10,000.00	\$ 3,000.00	\$ 3,000.00	\$ 25,000.00	\$ 25,000.00
3	Yard Piping, Sch. A	LS 1	\$ 902,836.16	\$ 902,836.16	\$ 150,000.00	\$ 150,000.00	\$ 200,000.00	\$ 200,000.00
4	Yard Piping, Sch. B	LS 1	\$ 362,467.83	\$ 362,467.83	\$ 1,000,000.00	\$ 1,000,000.00	\$ 475,000.00	\$ 475,000.00
5	Install GAC Vessels & Media, Sch B	LS 1	\$ 648,431.29	\$ 648,431.29	\$ 350,000.00	\$ 350,000.00	\$ 50,000.00	\$ 50,000.00
6	Backwash Tank, Sch B	LS 1	\$ 155,095.32	\$ 155,095.32	\$ 350,000.00	\$ 350,000.00	\$ 440,000.00	\$ 440,000.00
7	Recycle Pump Station, Sch B	LS 1	\$ 25,940.93	\$ 25,940.93	\$ 70,000.00	\$ 70,000.00	\$ 49,000.00	\$ 49,000.00
8	Well G-3 Building & Equipping, Sch A	LS 1	\$ 419,685.79	\$ 419,685.79	\$ 498,492.78	\$ 498,492.78	\$ 1,149,250.00	\$ 1,149,250.00
9	Site Work, Sch A	LS 1	\$ 36,696.80	\$ 36,696.80	\$ 70,000.00	\$ 70,000.00	\$ 300,000.00	\$ 300,000.00
10	Landscaping & Site Work, Sch B	LS 1	\$ 274,725.61	\$ 274,725.61	\$ 200,000.00	\$ 200,000.00	\$ 74,000.00	\$ 74,000.00
11	Electrical & Instrumentation, Sch A	LS 1	\$ 536,415.96	\$ 536,415.96	\$ 360,000.00	\$ 360,000.00	\$ 275,000.00	\$ 275,000.00
12	Electrical & Instrumentation, Sch B	LS 1	\$ 231,911.73	\$ 231,911.73	\$ 200,000.00	\$ 200,000.00	\$ 350,000.00	\$ 350,000.00
13	Chemical Feed Systems, Sch A	LS 1	\$ 105,814.12	\$ 105,814.12	\$ 10,000.00	\$ 10,000.00	\$ 26,000.00	\$ 26,000.00
14	Iron & Manganese Filters, Sch A	LS 1	\$ 172,317.72	\$ 172,317.72	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
15	Owner Assigned GAC Vessels, Sch B	LS 1	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02
16	Owner Assigned GAC Media, Sch B	LS 1	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20
17	Testing, Startup & Training, Sch A	LS 1	\$ 98,450.00	\$ 98,450.00	\$ 7,500.00	\$ 7,500.00	\$ 10,000.00	\$ 10,000.00
18	Testing, Startup & Training, Sch B	LS 1	\$ 57,371.29	\$ 57,371.29	\$ 7,500.00	\$ 7,500.00	\$ 10,000.00	\$ 10,000.00
19	Final Deliverables, Sch A/B	LS 1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
<b>SUBTOTAL</b>			\$	<b>5,992,970.13</b>	\$	<b>5,028,300.00</b>	\$	<b>5,160,057.22</b>
9.9% WSST			\$	593,304.04	\$	497,801.70	\$	510,845.66
<b>TOTAL BID</b>			\$	<b>6,586,274.17</b>	\$	<b>5,526,101.70</b>	\$	<b>5,670,902.88</b>

1

2

Yellow denotes corrected error in Bid

Lakewood Water District  
**SCOTT WELL SITE TREATMENT PROJECT** Job #778  
 Bid Opening; JUNE 22, 2021 at 10:00AM

**Engineer's Estimate: \$6 to \$7 million with sales tax**

Bid				Engineer's Estimate <i>Kennedy-Jenks</i>		Ceccanti, Inc. Tacoma, WA 98446		Strider Construction Co., Inc. Bellingham, WA 98226	
Item	Description of Item	Unit	Qty	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mob. Demob. Prep. Cleanup, Sch A/B	LS	1	\$ 578,002.36	\$ 578,002.36	\$ 480,000.00	\$ 480,000.00	\$ 250,000.00	\$ 250,000.00
2	Trench Safety & Shoring, Sch A/B	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 1,000.00	\$ 1,000.00	\$ 10,000.00	\$ 10,000.00
3	Yard Piping, Sch. A	LS	1	\$ 902,836.16	\$ 902,836.16	\$ 250,000.00	\$ 250,000.00	\$ 160,000.00	\$ 160,000.00
4	Yard Piping, Sch. B	LS	1	\$ 362,467.83	\$ 362,467.83	\$ 600,000.00	\$ 600,000.00	\$ 550,000.00	\$ 550,000.00
5	Install GAC Vessels & Media, Sch B	LS	1	\$ 648,431.29	\$ 648,431.29	\$ 115,000.00	\$ 115,000.00	\$ 500,000.00	\$ 500,000.00
6	Backwash Tank, Sch B	LS	1	\$ 155,095.32	\$ 155,095.32	\$ 350,000.00	\$ 350,000.00	\$ 550,000.00	\$ 550,000.00
7	Recycle Pump Station, Sch B	LS	1	\$ 25,940.93	\$ 25,940.93	\$ 60,000.00	\$ 60,000.00	\$ 110,000.00	\$ 110,000.00
8	Well G-3 Building & Equipping, Sch A	LS	1	\$ 419,685.79	\$ 419,685.79	\$ 540,000.00	\$ 540,000.00	\$ 810,000.00	\$ 810,000.00
9	Site Work, Sch A	LS	1	\$ 36,696.80	\$ 36,696.80	\$ 200,000.00	\$ 200,000.00	\$ 90,000.00	\$ 90,000.00
10	Landscaping & Site Work, Sch B	LS	1	\$ 274,725.61	\$ 274,725.61	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00
11	Electrical & Instrumentation, Sch A	LS	1	\$ 536,415.96	\$ 536,415.96	\$ 500,000.00	\$ 500,000.00	\$ 400,000.00	\$ 400,000.00
12	Electrical & Instrumentation, Sch B	LS	1	\$ 231,911.73	\$ 231,911.73	\$ 270,000.00	\$ 270,000.00	\$ 300,000.00	\$ 300,000.00
13	Chemical Feed Systems, Sch A	LS	1	\$ 105,814.12	\$ 105,814.12	\$ 15,000.00	\$ 15,000.00	\$ 30,000.00	\$ 30,000.00
14	Iron & Manganese Filters, Sch A	LS	1	\$ 172,317.72	\$ 172,317.72	\$ 15,000.00	\$ 15,000.00	\$ 120,000.00	\$ 120,000.00
15	Owner Assigned GAC Vessels, Sch B	LS	1	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02
16	Owner Assigned GAC Media, Sch B	LS	1	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20
17	Testing, Startup & Training, Sch A	LS	1	\$ 98,450.00	\$ 98,450.00	\$ 5,000.00	\$ 5,000.00	\$ 25,000.00	\$ 25,000.00
18	Testing, Startup & Training, Sch B	LS	1	\$ 57,371.29	\$ 57,371.29	\$ 5,000.00	\$ 5,000.00	\$ 25,000.00	\$ 25,000.00
19	Final Deliverables, Sch A/B	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
<b>SUBTOTAL</b>					\$ <b>5,992,970.13</b>		\$ <b>4,942,807.22</b>		\$ <b>5,466,807.22</b>
9.9% WSST					\$ 593,304.04		\$ 489,337.91		\$ 541,213.91
<b>TOTAL BID</b>					\$ <b>6,586,274.17</b>		\$ <b>5,432,145.13</b>		\$ <b>6,008,021.13</b>

3

4

Yellow denotes corrected error in Bid

Lakewood Water District  
**SCOTT WELL SITE TREATMENT PROJECT** Job #778  
 Bid Opening; JUNE 22, 2021 at 10:00AM

**Engineer's Estimate: \$6 to \$7 million with sales tax**

Bid			Engineer's Estimate <i>Kennedy-Jenks</i>		Pacific Civil & Infrastructure, Inc. Sumner, WA 98390		Stellar J Woodland, WA 98674	
Item	Description of Item	Unit Qty	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mob. Demob. Prep. Cleanup, Sch A/B	LS 1	\$ 578,002.36	\$ 578,002.36	\$ 460,000.00	\$ 460,000.00	\$ 400,000.00	\$ 400,000.00
2	Trench Safety & Shoring, Sch A/B	LS 1	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 7,500.00	\$ 7,500.00
3	Yard Piping, Sch. A	LS 1	\$ 902,836.16	\$ 902,836.16	\$ 400,000.00	\$ 400,000.00	\$ 175,000.00	\$ 175,000.00
4	Yard Piping, Sch. B	LS 1	\$ 362,467.83	\$ 362,467.83	\$ 600,000.00	\$ 600,000.00	\$ 1,000,000.00	\$ 1,000,000.00
5	Install GAC Vessels & Media, Sch B	LS 1	\$ 648,431.29	\$ 648,431.29	\$ 620,000.00	\$ 620,000.00	\$ 300,000.00	\$ 300,000.00
6	Backwash Tank, Sch B	LS 1	\$ 155,095.32	\$ 155,095.32	\$ 400,000.00	\$ 400,000.00	\$ 350,000.00	\$ 350,000.00
7	Recycle Pump Station, Sch B	LS 1	\$ 25,940.93	\$ 25,940.93	\$ 50,000.00	\$ 50,000.00	\$ 25,000.00	\$ 25,000.00
8	Well G-3 Building & Equipping, Sch A	LS 1	\$ 419,685.79	\$ 419,685.79	\$ 400,000.00	\$ 400,000.00	\$ 806,611.00	\$ 806,611.00
9	Site Work, Sch A	LS 1	\$ 36,696.80	\$ 36,696.80	\$ 220,000.00	\$ 220,000.00	\$ 60,000.00	\$ 60,000.00
10	Landscaping & Site Work, Sch B	LS 1	\$ 274,725.61	\$ 274,725.61	\$ 70,000.00	\$ 70,000.00	\$ 250,000.00	\$ 250,000.00
11	Electrical & Instrumentation, Sch A	LS 1	\$ 536,415.96	\$ 536,415.96	\$ 250,000.00	\$ 250,000.00	\$ 375,000.00	\$ 375,000.00
12	Electrical & Instrumentation, Sch B	LS 1	\$ 231,911.73	\$ 231,911.73	\$ 220,000.00	\$ 220,000.00	\$ 250,000.00	\$ 250,000.00
13	Chemical Feed Systems, Sch A	LS 1	\$ 105,814.12	\$ 105,814.12	\$ 10,000.00	\$ 10,000.00	\$ 30,000.00	\$ 30,000.00
14	Iron & Manganese Filters, Sch A	LS 1	\$ 172,317.72	\$ 172,317.72	\$ 40,000.00	\$ 40,000.00	\$ 30,000.00	\$ 30,000.00
15	Owner Assigned GAC Vessels, Sch B	LS 1	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02
16	Owner Assigned GAC Media, Sch B	LS 1	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20
17	Testing, Startup & Training, Sch A	LS 1	\$ 98,450.00	\$ 98,450.00	\$ 5,000.00	\$ 5,000.00	\$ 7,500.00	\$ 7,500.00
18	Testing, Startup & Training, Sch B	LS 1	\$ 57,371.29	\$ 57,371.29	\$ 5,000.00	\$ 5,000.00	\$ 7,500.00	\$ 7,500.00
19	Final Deliverables, Sch A/B	LS 1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
<b>SUBTOTAL</b>			\$ <b>5,992,970.13</b>	\$ <b>5,992,970.13</b>	\$ <b>5,136,807.22</b>	\$ <b>5,136,807.22</b>	\$ <b>5,450,918.22</b>	\$ <b>5,450,918.22</b>
9.9% WSST			\$ 593,304.04	\$ 593,304.04	\$ 508,543.91	\$ 508,543.91	\$ 539,640.90	\$ 539,640.90
<b>TOTAL BID</b>			\$ <b>6,586,274.17</b>	\$ <b>6,586,274.17</b>	\$ <b>5,645,351.13</b>	\$ <b>5,645,351.13</b>	\$ <b>5,990,559.12</b>	\$ <b>5,990,559.12</b>

5

6

Yellow denotes corrected error in Bid

Lakewood Water District  
**SCOTT WELL SITE TREATMENT  
PROJECT Job #778**  
Bid Opening; JUNE 22, 2021 at  
10:00AM

Engineer's Estimate: \$6 to \$7 million with sales tax

Bid				Engineer's Estimate <i>Kennedy-Jenks</i>		James W. Fowler Col Dallas, OR 97338	
Item	Description of Item	Unit	Qty	Unit Price	Total	Unit Price	Total
1	Mob. Demob. Prep. Cleanup, Sch A/B	LS	1	\$ 578,002.36	\$ 578,002.36	\$ 90,000.00	\$ 90,000.00
2	Trench Safety & Shoring, Sch A/B	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
3	Yard Piping, Sch. A	LS	1	\$ 902,836.16	\$ 902,836.16	\$ 325,000.00	\$ 325,000.00
4	Yard Piping, Sch. B	LS	1	\$ 362,467.83	\$ 362,467.83	\$ 580,000.00	\$ 580,000.00
5	Install GAC Vessels & Media, Sch B	LS	1	\$ 648,431.29	\$ 648,431.29	\$ 545,000.00	\$ 545,000.00
6	Backwash Tank, Sch B	LS	1	\$ 155,095.32	\$ 155,095.32	\$ 550,000.00	\$ 550,000.00
7	Recycle Pump Station, Sch B	LS	1	\$ 25,940.93	\$ 25,940.93	\$ 125,000.00	\$ 125,000.00
8	Well G-3 Building & Equipping, Sch A	LS	1	\$ 419,685.79	\$ 419,685.79	\$ 625,000.00	\$ 625,000.00
9	Site Work, Sch A	LS	1	\$ 36,696.80	\$ 36,696.80	\$ 250,500.00	\$ 250,500.00
10	Landscaping & Site Work, Sch B	LS	1	\$ 274,725.61	\$ 274,725.61	\$ 350,000.00	\$ 350,000.00
11	Electrical & Instrumentation, Sch A	LS	1	\$ 536,415.96	\$ 536,415.96	\$ 315,000.00	\$ 315,000.00
12	Electrical & Instrumentation, Sch B	LS	1	\$ 231,911.73	\$ 231,911.73	\$ 325,000.00	\$ 325,000.00
13	Chemical Feed Systems, Sch A	LS	1	\$ 105,814.12	\$ 105,814.12	\$ 24,000.00	\$ 24,000.00
14	Iron & Manganese Filters, Sch A	LS	1	\$ 172,317.72	\$ 172,317.72	\$ 36,000.00	\$ 36,000.00
15	Owner Assigned GAC Vessels, Sch B	LS	1	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02	\$ 850,250.02
16	Owner Assigned GAC Media, Sch B	LS	1	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20	\$ 521,557.20
17	Testing, Startup & Training, Sch A	LS	1	\$ 98,450.00	\$ 98,450.00	\$ 14,000.00	\$ 14,000.00
18	Testing, Startup & Training, Sch B	LS	1	\$ 57,371.29	\$ 57,371.29	\$ 16,000.00	\$ 16,000.00
19	Final Deliverables, Sch A/B	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
<b>SUBTOTAL</b>				<b>\$ 5,992,970.13</b>		<b>\$ 5,567,307.22</b>	
9.9% WSST				\$ 593,304.04		\$ 551,163.41	
<b>TOTAL BID</b>				<b>\$ 6,586,274.17</b>		<b>\$ 6,118,470.63</b>	



# SUPERINTENDENT'S REPORT

May 2021

Presented June 24, 2021

## OPERATIONS

### Work ORDERS Lucy and PM's – Lucy Add In Cassell

172 Billing/Office Field Service Orders  
00 Fleet Service Orders  
42 Field Service Orders Pumping and Storage  
214 Total Service Orders

### DELINQUENT ACCOUNTS – Teri Please Note No Turn Offs Governors Orders

Delinquent Accounts  
Paid on Door Hangers or on Disconnect  
Services Disconnected  
Paid on Disconnect  
Remained Disconnected at the end of the month

### LOCATES- Debbie

362 Locate Requests Received  
31 Requests were out of LWD Service Area  
09 Locates were submitted by LWD  
5 Cancelled Locates  
326 Locates Completed  
317 Total amounts owed

### BACKFLOW- Shaun J.

361 Assemblies Tested  
00 New Applications  
00 New Installations Shaun  
00 Assemblies Replaced – Shaun  
07 Repairs- Shaun  
00 Removals –Shaun  
4600 Existing installations permitted - Shaun  
361 Test Reports Completed & Entered - Shaun

### Right of Way Permit: 4

5/5/21	5712 79th St W	Install new service
5/5/21	10021 Meadow Rd SW	Install new service
5/19/21	3311 92nd St S	Install new service
5/19/21	8515 Spruce St SW	Repair Fire Hydrant

**Water Availability Letters: 12**

5/5/2021	QUINCY ALLEN	9105 GRAMERCY PL SW	R/SHORT PLAT	6305000070
5/18/2021	DANIEL BAE	8718 S TACOMA WAY STE B	C/REMODEL	921049297
5/13/2021	SHANE NORRIS	10025 LK STEILACOOM DR SW	R/NEW CONST	4725000890
5/13/2021	OSCAR PARRA	9811 ANGLE LN SW	R/ADDITION	5900000131
5/13/2021	OLEVIT PROPERTIES	8817 121ST ST SW	R/NEW CONST	5005003460
5/18/2021	LIONEL HAMPTON	7217 TOPAZ CT SW	R/NEW CONST	6430401780
5/18/2021	VALERIE ACOSTA	6306 78TH ST W	R/ADDITION	7325200110
5/21/2021	MILTON HOMES INC	9223 KENWOOD DR SW	R/NEW CONST	5005007092
5/21/2021	MILTON HOMES INC	9227 KENWOOD DR SW	R/NEW CONST	5005007091
5/21/2021	PANATTONI DEVELOP CORP	4901 123RD ST SW	C/NEW CONST	219127015
5/26/2021	ANDREA DUMON	6924 PLEASANT ST SW	R/NEW CONST	3085001970
5/26/2021	ACEITUNO, LLC	15116 UNION AVE SW	C/REMODEL	2200001340

**MAINTENANCE**

Bobby Gaskin – Department Head

**NEW SERVICES:**

1–1" x 5/8" @ 10021 Meadow RD. SW

1-1" x 5/8" @ 3311 92<sup>nd</sup> St. S For Emergency Food Service

1" x 5/8" @ 5712 97<sup>th</sup> St W for Harvest Realty

### **MAINS MAINTENANCE**

Reinstall 4" Fire Line at Lakewood Old Country Buffet in the Lakewood Towne Center

### **JOBS**

Job 805 – 4" Fire Line Connection / 60' 4" main

@ 61121 100<sup>TH</sup> St. SW Family Mexican Restaurant

### **Service Maintenance**

None to report this month.

### **VALVE MAINT.**

None to report this month

### **VALVE OPERATION CHECKS**

None to report this month

### **VALVE REPAIRS**

None to report this month.

### **Hydrant Repairs**

Cleared Drainage Holes

29HV 03 – 10124 Filbert St. SW

43HV 03 – 11313 Loch Lea Dr. SW

37HV20 - 5216 111<sup>th</sup> St. SW

47HV13 – 8615 Moreland Ave SW  
53HV15 – 12414 Glenwood Ave SW  
53HV04 – 6212 Nyanza Park Dr. SW  
67HV02 – 37 Country Club Dr. SW  
61HV09 – 12 Country Club DR. SW  
73HV08 10015 119<sup>th</sup> St SW

Rebuild Hydrants

54HV01 – 12009 Clover Creek Dr. SW  
77HV16 Bridgeport Way & Meadow Park Rd. W  
73HV16 – 11422 105<sup>th</sup> Ave SW  
3HV04 – 11609 Farwest Dr. SW  
79HV29 – 7606 76<sup>th</sup> Ave SW

**Hydrant Drainage**

None to report this month.

**Hydrant Replacement:**

None to report this month.

**METER MAINT.**

None to Report This Month

**Flushing Season:**

Completed the Annual Flushing programs in May.

**LEAK DETECTION REPAIR**

None to report this month

## **GROUND MAINT.**

### **LAYDOWN YARD CLEANUP / PUMP SITE CLEANUP**

Took down 5 – Trees

Cleanup entire Laydown yard

Installed Pipe Racks

Hauled away scrap metal

## **CITY FRANCHISE PROJECTS**

None to report this month

## **OPEN METER BOX CHECKS**

83 Box Checks

## **Pumping Department Report May 2021**

- General Maintenance activities.
- General Cl2 maintenance activities.
- Filtration facilities maintenance
- Monthly sampling complete
- Monthly Lake and Stream monitoring complete.
- G-3 Well project moving forward.
  - ATEC filtration system ordered.
  - GAC system bid awarded to TIGG.
  - Carbon filter material ordered from Calgon Carbon.
  - Chlorine generator delivered.
  - Chlorine pumps ordered.
  - Potassium permanganate pump ordered.
- Hazard Mitigation Grants
  - RH2 Engineers have submitted 80% specs for review on Generator Grant.
  - Second quarter reporting for both grants complete.
  - Steilacoom Blvd. specs being reviewed.
- Scotts G-1 replacement pump and motor ready for install after summer season.
- Yard Well D-3 pump and motor replaced and lowered to 240'.
- Washington Blvd. tank back online after interior and exterior painting, new high security vent, and new cathodic protection.

- New card reader security door locks at View Road and the headquarters installed by Guardian Security.

## **CAPITAL & R & R PROJECTS Ian / Craig / Marshall**

Deleted all but Dec of 2020 for space purposes: 12-1-2020 It looks like the Gravelly Lake Project might possibly start a month or two late. We had received conflicting information with respect to the phasing of the project, so I got off the phone with the City Engineer and he has told me the project is expected to last up to 15 months, but the additional timeframe is to get the Light Poles and the like installed in his mind all the water work would be complete in 2021. Work continues designing Phases 2-4 of 39<sup>th</sup>, The Front Street Project, and Gravelly Lake Drive. We will be selecting consultants to design the 112<sup>th</sup> Project, and the Steilacoom Lake Drive Project after the first of the year. 1-7-21 Work continues on the design for Gravelly Lake, and 39<sup>th</sup>, we have design finished for 108<sup>th</sup> Street Crossings and are actively seeking installation pricing at this time. Front Street Design is at 60% or better as is 39<sup>th</sup> and Gravelly so we anticipate these projects starting to bid in February time frames. 2-3-21 Work continues on the designs for Gravelly Lake Drive Project and Phase 2-3 of 39<sup>th</sup> Ave. We are working with BMC on 40<sup>th</sup> to try to obtain an easement as the utilities are so tight in the street. We are also working with the Clover Park School District to get an easement through the school property between Early and 100<sup>th</sup>. This will be a large project at 5000 feet. Design work continues on the Scotts Filtration project as well, the Iron and Manganese has been bid, the GAC vessels and Media was put out to bid on the 3<sup>rd</sup> with opening set on the 16<sup>th</sup>. 3-1-21 We have selected Consultants for the upcoming '22 projects: RH2 will continue with Phase 4 of 39<sup>th</sup> which will take the 20 from Scotts to Mont Grove, Parametrix will finish Front Street for Construction in '22, Murray Smith will be designing the second Phase of Steilacoom Lake Drive for '22, and we are asking David Evans (formerly CHS) and Parametrix to give us scope and budget on 112<sup>th</sup> street upsizing main to 24" on either side of I-5. 4-5-21 we have selected Parametrix to design the 112<sup>th</sup> Street Project, they built the project leading up to where we are at and have the time to get this project pounded out and ready for bid after the 1<sup>st</sup> of the year in 2022. 5-5-21 We are waiting on the scope and budget from Murray Smith on Lake Steilacoom Dr. phase 2 project, Parametrix is working on 112<sup>th</sup>, and Front Street is at 90% design and holding until next fall. **6-9-21 Same this month we are waiting for submissions of preliminary plans for both Steilacoom and 112<sup>th</sup>. 39<sup>th</sup> phase 4 is at 60% plans so that will be no issue getting out late this year for next years work.**

## **PFOA PFOS – WSDOH requirements and District operational considerations:**

Earlier Report removed for Space considerations 1-7-21 Design for the filtration system at Scott is well underway we have made comment on the 60% design, and we are nearly ready to put out the pre-purchase bids for the GAC and the media, the Iron and Manganese filtration was awarded to ATEC systems. We anticipate a bid for the construction of the project in March. 2-3-21 The Design continues for the Buildings and site work for the GAC treatment and the Iron and manganese. The Materials to be pre-purchased have been ordered, or are in bidding process, we are pre-purchasing the ATEC system Iron and Manganese Filtration, the Chlorine Generator and Metering Pumps, the SCADA controls and the GAC vessels and the Media for the GAC filtration facility. We are anticipating arrival late April for the ATEC system and Mid-October for the GAC vessels. I-3 has had elevated levels of PFOS/PFOA we have retested and are awaiting the results for verification, if results are over the LHA level set by the EPA we will have to take this well offline this reduces our available water by 650 Gallons a minute or just under 1 million gallons a day loss. This is a more difficult decision if this is offline, the volume would not likely justify a GAC treatment facility so other ways of recovering that loss would have to be considered. LWD has planned for eventualities like this. We are looking into the alternatives: which may include transferring water rights to a different well, re-drilling a well elsewhere, or taking this well deeper to get it out of the Shallow aquifers, or oversizing pumps and motors elsewhere to recoup this production. 3-1-21 All of the long lead time items have been ordered, and we are finalizing the Specs and plan for the construction of this work. We are anticipating putting this work out in Late March approving it at the April Board BOC meeting for construction in May. 4-5-21 We are awaiting another round of testing to confirm, but we are looking at having to potentially permanently shut down I-3 well we found out of the blue in a January sample high test result, we pulled another sample to verify in March but are waiting for the results and if it too was high, we will have to shut the well down. This is not a huge producer, but still accounts for 600-700 gallons a minute or roughly 930,000 gallons a day. Were this to be the case and the well test above the EPA's LHAL we be compelled to shut it down until treatment could be installed or another source could be put online to replace its volumes. 5-5-21 We are still waiting on the results of I-3 test results we ran a second sample and pulled it from a different point to see if that made any difference in the results. It appears that the State SAL has been moved in to 2022, but still something we need to be concerned with as we see additional wells increase and or exceed this new level, there is talk that the EPA will set an MCL for PFAS this would for the state to do the same, and it would help define the problem and force the action as opposed to having to make the decision on our own. And would help us greatly in the lawsuit if we are still unresolved at that time. **6-9-21 No change to this report I-3 is off until a solution has been established, whether that is a new well or treatment is being considered at this time. We are in hope to have a direction prior to starting the annual budget process.**

**Wholesale Transmission Main Extension Project: (701-705)**

*Prior Year removed in order to reduce the length of the report: 2020*

1-7-21 all the contractor issue on the job have been worked out and the project is conditionally accepted, the only remaining issue on the project is some warranty costs on the Pumps and motors supplied by Triangle pump. This item has been turned over to the district's attorney. Triangle has mounted some resistance to our billing for all the costs of the warranty work including pulling and replacing the pumps and transporting them to the Triangle Shop for work. 2-3-21 We have put the vendor on notice Triangle Pump that they owe us for the costs to pull and transport the pumps and motors. We have notified them of the Approximately \$30,000.00. We have had our attorney contact theirs to try to resolve this, but this may go to Arbitration. 3-1-21 This is the final loose end for the Wholesale Project, we have sent a letter requesting Arbitration if they do not want to settle this. Athan from Ogden Murphey has sent the final letter requesting settlement of Arbitration. 4-5-21 We have crafted the complaint and are preparing to submit the complaint; we have not only included the \$29,000 and change due for the cost to remove haul and replace the pumps and motors but have also include the lost Wholesale revenue as part of the claim pushing our overall complaint request to over \$260,000. 5-5-21 Triangle Pump came back with a counter of 15,000 which is about ½ of the total we spent removing and reinstalling the pumps, but completely ignores the last revenue. **6-9-21 a settlement has been reached and this issue is completed, the additional lost revenues were not actually a result of Triangles pump issues.**

**WSDOT Washington and Berkley & union and North Thorne Project (Job 742)**

*Prior Year removed in order to reduce the length of the report: 2020*

1-7-21 We met with the design build team a few weeks ago to discuss an option they were proposing for the Murray Roadside, and after we had come up with an acceptable plan for the water and sewer work required by the project, they decided they would propose we keep all of our facilities in place, which leaves Pierce county and LWD in a bind as the roundabouts built over them will make repairs or replacements extremely costly and time consuming. We objected heavily and told them we were not prepared to allow that option to take place especially after we had all spent months getting the design to meet all our need's prior. We were not prepared to scrap that design and allow them to save some money. The contractor was obviously not pleased with our reply, and WSDOT was supportive of our position. 2-3-21 We still have a great deal of work to be completed in this area, the discussion of who is responsible continues, but for now we will focus on the work to be completed. At present the work at Washington and Berkley has been completed, but work on The North Thorn Side remains unfinished, we will need their contractor to install the balance of the 500-600 feet of main and make the connection at North Thorne, so this loop is completely functional again. All



the work remains unfinished on the Murray Roadside of the project. Some issue has come up after we agreed to a plan to finish the work, and we are not sure of where the project sits at this moment. But we have told the contractor and WSDOT that now that there is a Traffic round in place, and the area now falls into an exclusionary zone, with WSDOT this means that we would not be able to access this without additional permits, making maintenance considerably more difficult. The plan we had agreed to would have moved our facilities out and away so that we could maintain them at will, it appears now that the contractor has some capability in costs for this move now, and thus the request for us not to move the facilities. We have respectfully declined and asked that the facilities be relocated as agreed upon. 3-1-21 We have approved materials for the work to continue so we anticipate that this balance of the waterline improvements is going in soon. This project is supposed to be complete later this summer, so we know it can't drag on much longer. We will then have the task of finalizing and fighting over who is responsible for these costs incurred. As you recall when this started a couple of years ago, they were thinking we would pay for all waterline relocation costs, we disagreed and then we moved forward with the idea that this issue would be solved at a later point. My guess is that this latter point is getting close. We feel comfortable with our position, and we are not the only one stating the same position to the AG as Pierce county and the Sewer lines are being affected similarly, but as you are all aware there is never a guarantee in a legal proceeding. 4-5-21 we have been notified that KLB Atkins civil contractor will begin the final phases of the waterline work starting the 21<sup>st</sup> of April, with the Berkley area then moving to the North Thorne area followed by the work at Murray Road it would appear that we are back on for the re routing of the main to avoid the Security Area for WSDOT. 5-5-21 this would be nearing a close with work competing at Washington and Berkley, and well as North Thorne. The placement of the new casing went in this last Saturday, and all that remains is the connection of the main from the I-5 Crossing to the next casing and pipe and the completion of the main to 46<sup>th</sup> Street. **6-9-21 completing of the water portion of this project is imminent we are hoping to have this work completed and back in service by the end of next week. This has proven to be quite a challenge.**

### **Nyanza Tank Replacement (727):**

*Prior Year removed in order to reduce the length of the report: 2020*

1-7-21 This project is finishing up its last work, Landscaping, and anticipated to pave out Tomorrow so we will be 100% complete. T-Bailey was a pleasure to work with they executed the project very well and allowed us to add some extra work in the Demo of the existing tank. So, the Site is cleaned up, and with only one more task to decommission the old well that was abandoned years ago. The project survey did find the neighbors to the south have significantly encroached on the Districts property, their entire driveway is on our property and significant structures have been placed very near our actual property lines. They did express

and interest in purchasing the property to remedy this, but in my opinion, we would be to keep this property available to the district as storage and space in general close to the Yard is in very high demand. This could easily be used for remote storage for Pipe and materials require by the District. 2-3-21 This project is complete and awaiting conditional approval from the BOC at the meeting on the 18<sup>th</sup>. We truly appreciated the way T-Bailey executed this contract, they were a very professional, and courteous to our customers, they were responsive to the District Staff and engineering team. They were a pleasure to work with and we would welcome the opportunity to work with them again soon. 3-1-21 This project is complete, and the tank is functioning well in the system, we look forward to the opportunity to work with T-Bailey on another district project in the future. **6-9-21 This project is complete, and will be deleted next month unless there are any further questions or concerns.**

### **Gravelly Lake Dr SW Washington to Nyanza (748): City of Lakewood JBLM North Access**

*Prior Year removed in order to reduce the length of the report: 2020*

1-7-21 Plans are at or near the 60% mark we will review them once received and turn them around quickly. We are anticipating the City to put this out to bid in February for an April start time frame. 2-3-21 This project is in the final design stages, LWD has submitted their final 100% drawings to the City for inclusion in their plans, we are waiting for the City to Advertise and award this contract. Recall please that we are working with the City this saves us a great deal of restoration and mobilization and traffic control costs. We are anticipating this work starting for LWD's portion in April and to have the water line completed by the end of the year '21. 3-1-21 This project is out for bid and will be opened on the 2<sup>nd</sup> of this month at 2:00 pm this will let us know who we are going to be working with. Award will not happen until the council meeting later in the month. 4-5-21 R.L Alia was awarded the project, they are working on schedule but have told us they will not start until late in May, they have also told us that they will be starting at the Nyanza end of the project and working their way back to Washington and Gravelly. They will not be doing the Washington portion of the project until 2022 so we will only build about 75% of the water main portion of this project the balance will carry over in to 2022, this means that we have additional funds available for some of the other projects we have coming online like the Scott's Filtration facilities, the Steel Shop building, or 39<sup>th</sup> Ave Phase 2-3. 5-5-21 RL Alia has yet to start this work it looks as of now that the first week in June is the new Start date, as we had mentioned earlier this means that the project completion is likely to be in 2022 which means we will have to carry over the unfinished balance into the following year. **6-9-21 RL Alia has begun work on this project they have been installing water main from the near the intersection at Gravelly and Pacific Hwy back to the Gravelly and Nyanza intersection. This work is required to be completed so that they can divert traffic from Gravelly around Nyanza Road this detour is expected to**

occur on the 21st of June from that point forward the road will be closed to through traffic. Our GIS tech has generated a map for alternate routes for our workers. It is anticipated that work will continue in phases through the end of the year with some break for winter weather and restart at the Washington Gravelly intersection in March of '22 and completing before June, but for the street lights these need to have the bases in and the bolt pattern surveyed for each base so that the elevation and the arm length for each can be designed and built this can take 15-20 weeks and thus the 18Months on the city contract although the largest portion of the work will have been completed for some time. Just as what played out on the previous Gravelly Lake project.

### **39<sup>th</sup> AVE Steilacoom to 96<sup>th</sup> (749):**

*Prior Year removed in order to reduce the length of the report: 2020*

12-1-2020 The Contractor is doing well this project has turned out to be a bit more challenging than any of us had expected. The Secondary power is not something that the power company locates it appears, so the contractor has found these drops on several occasions slowing the installation down each time. Despite the difficulties they will be pressure testing the main from Steilacoom over to South Tacoma way via 94 this week. And starting on 39<sup>th</sup> Ave Court as soon as the pressures and purities come back for the portion that is completed. 1-7-21 This has been a tough project we have encountered a significant amount of un-located utilities. These have cost the contractor and we anticipate some change orders will need to be written to address these uncontrolled issues. We will be complete with the Tie in and services by next Wednesday and be waiting for weather suitable for the restoration work, and final paving. Pape and sons have done a great job as usual and have worked well with us to get this project completed. 2-3-21 This project has been completed the Final paving and punch lists have been finished. Pape and sons did a great job again for us, and we look forward to working with them again very soon. **6-9-21 this project is complete and just pending L&I approval.**

### **39<sup>th</sup> AVE Phase 2 and 3 Job# 780:**

12-1-2020 RH2 engineers are hard at work designing the next phases of this project, we are designing this project in phases such that if the money is insufficient to build it all that we can parse out portions of the work and keep moving. We have Asked RH2 to design the crossing at Halcyon as well as this work will need to be complete before the Scotts Site contractor will be on board. This work must be completed as the City is planning on a grind and overlay project from Pacific Highway to Bridgeport and we would need this in place by April. 2-3-21 Design continues this project as we mentioned in the engineering portion of this report, we are

working on easements with Clover Park School District as well as BMC. These will both greatly assist the project; it was not until after the utilities were marked that the density of the other utilities in the area were revealed. 3-1-21 We have been working with the Clover Creek School District on an easement and we have just sent in what we hope to be the final draft to the District. We are optimistic we can obtain this easement, we have similar optimism with BMC we have worked around most of their concerns and are awaiting word back from their real estate department, as BMC was very recently purchased. Again, we are optimistic that this will come through soon. We are looking at a similar start time for this as with Scotts' and Gravelly lake Drive, which will make for a very busy summer. 4-5-21 we have worked through our issues with the Schools district, and all is moving ahead as planned we are hopefully finishing up the BMC easement this week then we can finish the plans and get this project out on the street for bid very soon. We are optimistic that with funds freeing up from another project that we will be able to get this project completed through 108<sup>th</sup> street, with only the 4<sup>th</sup> phase remaining for 2022. 5-5-21 we have resolved the issue with the school district as well as the easement with BMC so we have submitted the permits, and are finalizing the design with the Cities comments. We anticipate this going out to bid in late May, much later than we had expected, but we did run in to some significant delays, do to easement and permits. **6-9-21 This project was put out to bid, and Miles Resources was determined to be low bidder, the supply of the material remains to be the issue with this and any other projects we put out this summer, we have been working with vendors and suppliers to get this project underway, our primary goal is to get the work in front of the school completed. We have a temporary construction easement that expires on 12/31/21 which is 25' wide giving us more room to work, and a permanent 20' Easement.**

**Front Street / 96<sup>th</sup> Main Improvements: Job#: 781**

Parametrix is currently designing this project, we don't anticipate building this project unless the City Project Runs long and we need something else to do. This project will most likely go out for bid in 2022. 2-3-21 This project is hovering at about 90% design, we have suspended the design at this point as this work will likely not occur until 2022, early in 2022 or late 2021 we will finish the design make any changes and put it out to add early in 2022. 3-1-21 Parametrix is still in a bit of a holding pattern waiting to finalize the designs for this project, but now we know we will be moving ahead with this in '22 we will get then to complete the 90% and then hold until later into November December to Bid the work for an early start in '22. 4-5-21 Parametrix has completed the design through 90% and we are looking to shelve it for the next several months and bid it right after the first of the year. This is one of the last projects that was on the old list of projects for improving flow to the Wholesale Transmission Main. We are engaged with Murray Smith to do some additional modeling to make sure nothing has

changed and that we are still on track for the take schedule we have in place. The big potential change to this is the Spanaway Connection, if they choose to take the 2 million gallons a day that will accelerate our take schedule but over a decade and we will need to be able to produce consistently 7.5 million gallons a day and beyond. **6-9-21 This project is ready to go out to bid, we will refresh the frontend specs and put this out near the end of the year for Construction in early 2022.**

### **Scott well site GAC and Iron and Manganese Treatment # 757, # 758, and #778**

1-7-21 The Iron and Manganese filtration for the G-3 well has been ordered ATEC systems was low on the supply bid. We just sent notice of Award out yesterday. We anticipate these will arrive in May for immediate installation. 2-3-21 Design is well past the 60% design milestone and we are closing I on the 90% mark, we have started ordering the owner supplied materials: Iron and manganese filter, chlorine generator, and MCC panels for the SCADA. We are anticipating that this will bid in March with G-3 work starting in earnest on April 1<sup>st</sup>, this may require so special effort to push the permits through the city. 3-1-21 All of the long lead time items have been ordered, and we are finalizing the Specs and plan for the construction of this work. We are anticipating putting this work out in Late March approving it at the April Board BOC meeting for construction in May. 4-5-21 design is nearing completion, the project report has been submitted to DOH, and the permits have been applied for with the City of Lakewood. We are looking at building optional projects on site to maximize the effectiveness of the site and match the Grant funding that we will have available. We are anticipating this to be between 5.3 and 5.7 million depending on which package is adopted by the legislators. **5-5-21 This project as with many others has experienced a significant number of delays in engineering, and well as permitting issues, this project in particular with the boundary line adjustment required to build on both pieces of the lots. We have design at 90% and finishing the specials this and eye towards letting this the 15<sup>th</sup> of May. 6-10-21 This project is out for bid at present with opening set for Friday the 18<sup>th</sup> of June. We had the job walk through yesterday and had 9 contractors present. We did receive the Grant funding for the GAC system this we are hoping will cover most if not all of the costs of the GAC system. The project costs for GAC and G-3 Treatment is expected to go to 7.5 million.**

9-23-20 we have determined and scope and budget, and have put RH2 under contract for the design, and Sitt's Hill under contract for the surveying on the project. We have also sent out letter to the property owners that we are hoping to get easements from we have sent them out Return Receipt such that we can minimize any delays if we need to utilize the legal system and condemnation to acquire the easements. We are optimistic that these property owners will work with us as each of them have several easements already through their properties. 12-1-2020 the Initial design Survey has been completed and design has started first looking for the best route then drawing it up. Once we know where we want to go, we can engage the property owners and attempt to secure easements. This may turn out to be the most difficult part of the project. 2-3-21 We have potential alignment figured out, and we are working to finalize the points of connection. We presented this information to the partners at the last quarterly meeting in January. We have been told that Spanaway's bent is to have this online taking water January 1, 2023 so we have some time to spare on this project. 3-1-21 RH2 continues to work on the alignment of this project, they have proposed that we sit down with Pierce county and discuss the potential moratorium on Brookdale Road and the paving of it. Peirce county has clarified that moratorium would remain until November of '22. This would push us to get operational by 1/1/23. So, we are hoping that we can get some consideration on this issue. 4-5-21 We have met with Spanaway Water and they are very interested in purchasing the final 1 million gallons a day this will sell out the capacity of the Wholesale Main. We are working with them to show them the pricing and the effects of using the more volume of water vs paying the fix rate and not utilizing the volume to offset it. 5-5-21 and interesting development Spanaway not only wants the 2 million, but they would like another if we can get it. This throws a whole set of complications at the wholesale the first and foremost can we ever do it? If so, how much more, and lastly how much capital would we need to spend in order to do this? We have asked RH2 to look into the possibility of this and what it would take to make this happen. **6-14-21 we are continuing to work with the other utilities trying to utilize some of the existing utilities easements instead of using more of the property owners land, we had a meeting on Thursday with TPU and that went well, but there is still some resistance to agree to the use of this property. We are looking into the opportunity to acquire easement from some of the other property owners and then go down 42<sup>nd</sup> Ave this would get us back down to Brookdale if the pipeline corridor is not available. This would be more expensive and would increase the length of the project but would present the only option if the pipeline corridor is not available.**

**FEMA Grants: Seismic Upgrades to Steilacoom Tank, Seismic adaptors and generators:**

We have been selected for not one but two FEMA Grants we have placed our capital contribution for each on the capital budget. The Seismic Knuckle and Generator grant is \$930,000 dollars and the Seismic Tank upgrades are \$1,300,000.00. This means for \$330,000 we will get to build \$2.23 Million in Projects. We have 14 months from the award to completion, we will be licking off design this week with RH2 engineers they helped us through the application process and preliminary design. This adds another \$2.0 million in project to this already large capital year pushing us over \$17 million. 2-3-21 The two projects are currently being designed, we will put the generator and seismic knuckle project out as soon as we finish the design with an expectation that we would build this over the summer. The seismic upgrade to Steilacoom Tank will have to wait for the peak of season to go by, the design work will be done and awaiting the end of the busy season in September. 3-1-21 we are working on the design portion of these Grants RH2 engineering has been moving ahead quickly and we await the 60% drawings for comments then the opportunity to move forward with permits and the like while preparing this work for bid. 4-5-21 No real update here still designing the projects. 5-5-21 We have 75% drawings for the generator and the seismic knuckle project. With work continuing the Steilacoom tank seismic upgrades. **6-14-21 Marshall and Don are spearheading these programs, we have 60% drawings for the seismic retrofit of the Steilacoom tank, and the upgrades to the Knuckles and the generator are out for bid.**