



**LAKEWOOD WATER DISTRICT
BOARD OF COMMISSIONERS & LAKEWOOD CITY COUNCIL
Minutes of Special Meeting
June 26, 2023
City of Lakewood Council Chambers & Via Zoom**

1. CALL MEETING TO ORDER

City of Lakewood Mayor Whalen called the Special Meeting to order at 6:00 PM.

2. ATTENDANCE

Present at the meeting: **Lakewood Water District** Commissioners J. Korsmo, G. Rediske, and G. Barton; General Manager R. Black, and Administrative Assistant J. Clark.
City of Lakewood City Council: Mayor J. Whalen, Deputy Mayor M. Moss, Councilmember D. Anderson, Councilmember M. Brandstetter, P. Belle, Councilmember T. Lauricella, Councilmember P. Bocchi, City Manager J. Caulfield, City Attorney H. Wachter and City Clerk B. Schumacher

3. ITEMS FOR DISCUSSIONS

1) PFAS (per-and polyfluoroalkyl substances) Status.

Mayor Whalen shared that they have received concerns about the quality of the water and PFAS. He asked the District to share an update on PFAS and the safe quality of the water.

Commissioner Korsmo shared that the District has tried to be very transparent regarding PFAS, which is a high priority for the District.

General Manager Black shared the history of the District's PFAS journey. He presented the different wells affected by PFAS, what the District has done to treat the four wells above the Washington State Action Level (SAL) level, and what the District will do if the new EPA MCL goes into effect. General Manager Black shared that the District's water is safe, and the wells have either been shut down or have received treatment. PFAS is removed before water distribution. The District is committed to safe drinking water.

2) Franchise Agreement

Commissioner Korsmo shared the District feels the partnership with the City of Lakewood has been positive. There are a few items we would like a better understanding of a few items. General Manager Black would like clarity on what utilities are in the ROW, especially concerning a City project. The District and City have differing views, and it would be good to get clarification going forward and by the next renewal in 2026.

He shared that the City has worked hard, especially in the Public Works Engineering department, to avoid replacing or rerouting our infrastructure. When you cut or reroute, you lessen the asset's life expectancy. We really wanted the City to do the original

franchise agreement, and for the most part, the City has worked hard to make this not an issue.

3) Housing Density Mandates & Connection Charges

Mayor Whalen shared that the legislature passed recent legislation that imposed greater housing mandates residential that allow two ADU on each single-family lot. Currently, the City of Lakewood has 64K residents, estimated to reach 83K by 2040. That is a lot of additional citizens, water availability letters, etc. This ties in with how we can partner with grant funding. There are transportation grants that can also include adding or removing utilities. Mayor Whalen asked how the City and District can coordinate with greater grant opportunities.

General Manager Black shared that we estimate 1% annual growth for the City of Lakewood. So far, we would be on track until 2043 as is. If there were smaller units, there would be less demand on the system because they are smaller units (no water grass, fewer usages as a typical single-family home). The Board has authorized a rate study with a customer classification process. We will be looking at our rates using an equal justice lens to see how our rates look to everyone and how our rates stack up below those below the poverty level, fixed income, multifamily, commercial, etc. That information will be presented to the Board later this year.

We will take what the City has been mandated for growth, and then we will relook at our numbers to see if there is anything that would take us in a different direction.

Mayor Whalen has asked Pierce County Sewer Utility and the Water District if they would be open to providing a waiver or reduction of connection charges for low-income families; one option is placing an ADU when you have an existing single-family unit on the lot.

Commissioner Korsmo shared this is one of those opportunities for the District and the City to collaborate. The District is still learning and trying to figure out how we will proceed with the new rules. We will look at our rates and connection fees. He shared that one of our discussions was whether our ratepayers should be paying for this. Commissioner Barton shared we answer to the ratepayers; this is an issue to some extent that the ratepayers would need to support the District if we waive some of the connection fees. There are some fixed costs, such as the meters, and we have to be careful not to gift public funds.

Mayor Whalen asked can you have one meter, or do you need to have two? General Manager Black shared that one of the problems is if you are to use the existing residential meter for both properties, and if the main property owner doesn't pay their bill, the meter would be turned off to all of the dwellings, and at no fault of the ADU residents. It is best to have all separate meters.

4) Fluoridated Water.

Mayor Whalen shared they have received occasional questions as to why we don't do fluoridation. General Manager Black shared that in 2006, when fluoridation was introduced, the topic went out to an advisory vote, passing marginally. The other challenge was that the wholesale partners did not have a vote, and they were adamantly against it. Back then, the cost was also a prohibitor, and the cost today would also be a

challenge with all of our focus on PFAS. We can take it up at a different time, but we currently don't have the bandwidth to take it on.

Councilmember Anderson hopes the District will keep it in mind. He feels having fluoride would benefit the lower income ratepayers and those who can't afford fluoride treatment and dental care.

Commissioner Barton shared that this is a cost issue. We work really hard to keep rates low for all of our ratepayers. All of the costs coming from PFAS are putting pressure on our rates. The current goal is to ensure clean water.

Councilmember Bocchi asked if PFAS will have an impact on the R&R program. General Manager Black shared that one option that we are looking at is delaying some of the projects a year or two. By doing this, we would go from \$4.2M down to \$1.3M for the next few years.

Commissioner Korsmo shared that we are on a 50-year R&R program and are halfway through. This is a very important program, and he wants to ensure we can stay on track. The more grant funding we can get for PFAS, the more R&R we can do.

Councilmember Brandstetter would like to have fluoride and would like to know what other water purveyors provide fluoride and how much more they charge for their water. He wants to see if we can get our comprehensive plan aligned with the District. Commissioner Korsmo agrees that we should work together and align our comp plans.

5) Pavement Degradation Charges.

Commissioner Korsmo shared that the District would like to learn the formula to figure out the cost of the pavement degradation fees to help with budgeting. General Manager Black shared that it would be very beneficial to get the formula and how the rating of the roads is decided; so that when we budget \$20k for a project and then when we apply for the permit, it is then \$40k, which causes issues with our budgeting.

City Manager Caulfield shared that the permit cost depends on the age, location, and condition. There is a no-cut rule five-year rule. It will cost more if you need to cut a road within the first five years that it was paved. He shared that his staff would happily sit down and talk with the District to discuss the formula.

6) Cross Connection Program.

General Manager Black shared that the City of Lakewood is the primary plumbing authority of all in-premise backflow protection. An example of an in-premise is McDonald's has a soda machine and would require a backflow device on that equipment. Normally the plumbing authority would call that out. The District is set up for premise isolation, which means at the meter. An example of this is if a dry cleaner was to go in, we would require a backflow device at the meter, and anything else inside the business would be in-premise and would be the obligation of the primary plumbing authority.

General Manager Black shared the District has been doing in-premise and premise isolation for some time. The District and Lakewood City Council met about six years ago,

and we have an agreement to reimburse our costs. General Manager Black asked if the City has considered taking over the program and doing in-premise isolation. The District would like to see the City take over that program.

Mayor Whalen shared that it would be more beneficial if one person did both inspections; it would be one fee instead of two. He feels it would be better for one agency to do all the paperwork and inspections. If this is a cost issue, they can revisit it at the next biennial budget.

General Manager Black shared that cost is a portion of the challenge; the other is the authority for the District to call out backflow devices. Mayor Whalen shared that it can be called out more defined in the next MOU.

City Manager Caulfield shared that the City appreciates the District doing the backflow devices. The City recognized they had a role in this and entered into an ILA. The District can submit an updated rate if this is a cost issue. The City does not have the capacity or expertise to take on the backflow program.

7) Grant Collaboration

Mayor Whalen shared that we have a common interest in grant funding and asked how we can seek grants that do more infrastructure work and not just roads.

General Manager Black shared the District would like to see how we can partner and make a grant application more attractive because it has a broader sweep of investment to the public by adding water or sewer. The City has been very successful in getting grant funding.

City Manager Caulfield shared that there are few grants, if any, that allow municipalities to use funds for other projects; an example is a transportation grant is specifically for transportation and not water or sewer. He shared that if the District finds a grant that would work for both agencies, to let him know.

Councilmember Brandstetter shared that the City can lend a voice on a grant if applicable. General Manager Black shared that City Manager Caulfield has been great and very responsive when we have asked for the City's support.

Councilmember Bocchi shared that General Manager Black gave a very informative presentation to the Planning Commission on the utility portion of the comp plan. He also thanked the District for the additional water line at Ft. Steilacoom Park, which will help with the H Barn project. The need for water is very important for that site.

Councilmember Bocchi also inquired about the District's role with the Western State Hospital. General Manager Black shared that we have been in talks since 1979 with Western State Hospital about the District taking over their water system. The District is working with DSHS about the requirements that we would have for the water system. We need to have a conditional assessment of the entire system, and the existing system needs to be upgraded by someone and not the Lakewood Water District ratepayers. We have shared with DSHS that they need to look at the campus as a whole and have funding for the old hospital, not just the new one.


Councilmember Lauricella shared he grew up in the Ponders neighborhood site and is seeking the site's status as it used to be a superfund site. General Manager Black shared that EPA installed an Air Stripping treatment to remove PCE and TCE, removing all the chemicals from the water before distribution.

4. ADJOURN

Mayor Whalen adjourned the meeting at 7:27 PM.

**LAKEWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:




ITS PRESIDENT

BY:



ITS VICE PRESIDENT

BY:



ITS SECRETARY

BY:



DISTRICT SECRETARY (DATE) 7/20/23