



**LAKEWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
July 20, 2023
Boardroom & Via Microsoft Teams**

1. CALL MEETING TO ORDER

President Korsmo called the Regular Meeting to order at 3:30 PM.

2. ATTENDANCE

Present at the meeting: Commissioners J. Korsmo, G. Rediske, and G. Barton; General Manager R. Black, Engineering Manager M. Meyer, Finance Manager P. Mendoza, IT Manager C. Fast, HR Manager B. Levo, and Administrative Assistant J. Clark.

3. PUBLIC COMMENT

None.

4. APPROVAL OF MEETING MINUTES FROM 6/22/23, 6/26/23, 6/28/23, & 7/11/23 SPECIAL MEETINGS.

Commissioner Barton shared in the 6/26/23 meeting minutes that said Commissioner and not Councilmember for Councilmembers Anderson & Brandstetter. Meeting Minutes Approved with the corrections.

COMMISSIONER BARTON MOVED TO APPROVE THE 6/22/23, 6/26/23, 6/28/23, & 7/11/23 SPECIAL MEETINGS, SECOND BY COMMISSIONER REDISKE WITH CORRECTIONS. MOTION PASSED UNANIMOUSLY. COMMISSIONERS APPROVED THE USE OF THEIR ELECTRONIC SIGNATURES.

5. PRESENTATION OF THE NEW MISSION, VISION, AND VALUE STATEMENTS

HR Manager Levo and committee member A. Dickinson presented the new Mission, Vision, and Value statement that the committee has been working on. She wanted to thank the team for their hard work on this project. The committee members are Amber, Eric, Bob, Marshall, and Briana.

Mission Statement: Serving healthy communities through responsible water practices.

Core Values: Community, Quality, Reliability, Responsibility, and Transparency.

Vision Statement: Investing in our community to provide life sustaining water now and into the future.

General Manager Black thanked the committee for their work on this project. One of the ultimate goals is to embark on a pathway to be better engaged and more inclusive in the community.

Commissioner Korsmo shared that the mission should be reviewed periodically to ensure it is current with the times. He feels it reflects who we are and what we are doing.

MOTION TO APPROVE THE NEW MISSION, VISION, AND VALUE STATEMENT BY COMMISSIONER REDISKE. SECONDED BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

6. FINANCIAL INFORMATION

Philip Mendoza, Finance Manager, presented the June 2023 financial to the Board. He shared that *retail sales* in June 2023 exceeded the budget for the month. Currently we are 18.55% ahead of the budgeted (\$159,360) and 5.11% ahead (\$214,352) YTD (June 22 - 41.8M CCF vs June 23 - 60 M CCF). *Wholesale water sales* are up catching up to \$21,620 ahead of budget and catching up to YTD. *Operating revenue* (\$199,634) is 13.63% higher than budgeted and 3.11% ahead YTD. *Operating Expense* 17.35% over budget, 6.85% lower than budget (3 pay periods in June) *Pumping operations* is 8.2% higher than budget and 6.44% under budget YTD; *Water Treatment operations* is 25.67% over budget and 19.56% under budget YTD. *Transmission and Distribution operations* is 1.67% higher than budget and 2.4% higher than budget YTD. *Total operating expense* is 17.35% over budget and 6.85% under budget YTD. *Net Operating Revenue* is 23.2% higher than budgeted and 29% higher YTD.

a. Approval of Payables

Disbursements made from the General Ledger Fund for checks number 46082 through 46184 totaling \$710,267.53, salary direct deposits totaling \$227,511.72, payroll taxes totaling \$97,582.03, and other electronic payments totaling \$389,699.98 for a total of \$1,425,061.26 were presented to the Board for approval.

COMMISSIONER REDISKE MOVED TO APPROVE THE PAYABLES AS LISTED. COMMISSIONER BARTON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

7. GENERAL MANAGERS REPORT

Randall Black, General Manager, provided the following updates:

Western State Hospital – He had a meeting with DSHS and Assistant Attorney General; Tom Pors and Curtis Chambers to talk about the water rights that the hospital has. The hospital has two water rights: A Claim on the Farm Well and two certificates on the East Campus Well. One of the biggest things happening with Policy 2030 is the written proposal that when you do a transfer, it opens it up to Dept of Ecology (DOE) to look at the time and purpose of the original water right that was given. When it's opened for evaluation, DOE has had a track record of trimming the original water right that was given. They can go back and look at the history of what water rights were given and the purpose at the time for the water rights. In many cases, water rights can be reduced based on history and the conditions. For example: if you have a trailer park that went in and was originally designed for 50 homes, 50 trailers to go in there, but it never reached 50 and only got to 40 trailers, and the consumption that has been used over time has only been at 40. The water right would then be reduced to account for only the 40 trailers.

We shared this information with DSHS and the Assistant Attorney General that has been helping them. DSHS shared that DOE felt there shouldn't be any issues with the water rights transfer, including the claim water right. Mr. Pors asked what backing or evidence they had to show the water rights' validity. They were unaware, and their consultant, who

has been helping them, is on vacation until August 3rd. Currently, under state law, there is only one mechanism that we are aware of to allow the water rights transfer, and that is under a consolidation construction of the agreement. The consolidation would be the entire system the District would have to take over. DSHS agreed that is what they were told as well; it would need to be consolidated.

It was brought up that the East Campus well has PFAS and shared that we couldn't move forward unless a new source was drilled and had certificated water rights. This would be an additional cost and impact. It feels that they feel the Farm Well is sufficient for their needs (currently non-detect, awaiting validation).

The hospital is asking for a water availability letter; the issue is we need to wait for the validation of water rights first. The other issue is they are outside our service area, so we can't technically give them a water rights letter. DOH can approve with administrative approval, but we cannot guarantee it. If we look at the certificated water rights, it comes to about 1,400 gpm, a little over 2M gpd.

General Manager Black would like to wait until we can finalize the water rights situation. The Board of Commissioners agrees to wait to sign an agreement until everything is worked out with the water rights, etc.

Federal And State Infrastructure Funds

We are about a week away from getting the funds from Senator Murray's direct appropriations. We should also have the paperwork signed next week for the DCCA funds. We are currently waiting for an update from the Public Works Trust Board.

City of Lakewood Meeting – Follow Up

Commissioner Barton had some follow-up questions regarding the meeting with Lakewood City Council. General Manager Black clarified Commissioner Barton's questions and shared that he had a meeting with their Public Works Director, who shared that he heard it was a good meeting. The Commissioners agreed it was valuable and look forward to future partnership meetings.

Spanaway Water Connection

Commissioner Korsmo inquired what the issues were with Mr. Hohn's driveway. Engineering Manager Meyer shared that the contractor didn't install the driveway properly, and there is now a dip. After discussions with the contractor, they will go out and remove the existing driveway and replace it correctly.

Federal And State Infrastructure Funds – Follow Up

Commissioner Korsmo asked if the DCCA and the direct appropriations funding are both grants. General Manager Black confirmed they are both grants. He then inquired about the PWTF of \$10M; we will probably get some funding to add to the \$9M. Commissioner Korsmo asked if we request what we need or take it all at once. Finance Manager Mendoza said we can take it as needed, like a line of credit. Two applications were applied for \$6M and \$4M, and we hope both applications are approved.

General Manager Black is hopeful that we can get both loans, there is a lot of competition for funding, but he is hopeful that we should get something.

Finance Manager Mendoza shared that more information will be presented next month.

8. OPERATIONS REPORT

See attached report for additional information.

Commissioner Korsmo inquired about billing/field service orders – what are those? Engineering Manager Meyer and IT Manager Fast shared examples of “I think I have a leak” or turn on/turn off for sprinklers systems or having maintenance work done. We ask that they call us to turn on or off the system and not them.

9. ENGINEERING MANAGER’S REPORT

Marshall Meyer, Engineering Manager, shared the District is pumping around 22 mgd, and about 6.5 mgd of that is to the wholesale partners. Our current daily pace was last year’s highest day. The pumping crew is doing great and are working hard to keep things going smoothly.

Three wells are back online, producing around 5 mgd of additional water supply. The 104th & Bridgeport F-2 well conversion in a small building to vertical submersion pump; thank you to Ryan and Lucas for your hard work.

Scotts PFAS treatment project is now up and running in the new building. We’ve continued working on the seismic retrofit design on a couple of the tanks.

10. IT MANAGER’S REPORT

Christian Fast, IT Manager, shared that there was one cybersecurity issue. One employee clicked on a malicious email and not a test one. The antivirus software caught it and stopped it. It sent an alert to him, and he did cybersecurity training with the employee. It looked like a valid E-signature from DocuSign.

a. Surplus Approval

At the June meeting, the Board approved the disposal of (2) old lobby chairs; since then, a staff person has asked to purchase the chairs. Staff asked for approval to remove them from the disposal list and sell the chairs to a staff member. The second item is the front entrance outdoor garbage can; a staff member would like to purchase the garbage can.

THE BOARD ACKNOWLEDGES THE CHANGE IN STATUS FOR THE TWO CHAIRS AND THE ADDITION OF THE GARBAGE CAN AND APPROVED THE SALE OF THE TWO CHAIRS AND GARBAGE CAN TO STAFF MEMBERS.

11. HR MANAGER’S REPORT

See attached report for additional information.

12. Other Business:

- a. The Board acknowledged the wage increase this month.**
- b. Fall WASWD Conference –** General Manager Black asked if there were any Commissioners who wanted to attend. They will let him know if they can attend.

c. Commissioner Barton provided a brief update on the WASWD Legislative Committee.

Commissioner Barton shared that the 2023 Water Rights Policy, DOE is an interpretive statement administration of the statewide Trust Water Rights Program comments are due by September 30, 2023. General Manager Black shared that Tom Pors, Water Rights Attorney, will attend the August BOC meeting to provide an update on the 2023 policy.

The fall WASWD conference will have a session on bio-solids. Commissioner Barton has been championing a committee of Water and Sewer Districts to discuss bio-solids before the next legislative session.

Commissioner Barton chairs the Workforce Committee, and they are working on short videos where workers describe their jobs, literature, etc., and have a table at job fairs. They are partnering with the Regional Water Co-op of Pierce County as they are working on the same type of information.

d. Our next Commissioner's meeting will be Special Meetings on July 27, 2023 @ 8:30 AM, August 8, 2023 @ 8:30AM and Regular Meeting August 17, 2023.

Discussion on upcoming Special Meetings to discuss PFAS litigation (September 12, 2023, at 8:30 AM) Commissioners will let Jeri-Lynn know of their availability. The August 17th meeting will have a discussion on the Rate Study and Western State.

13. PUBLIC COMMENT

None.

14. ADJOURN

President Korsmo adjourned the meeting at 4:41 PM.

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:


ITS PRESIDENT

BY:


ITS VICE PRESIDENT

BY:


ITS SECRETARY

BY:

 8/17/23
DISTRICT SECRETARY (DATE)