



**LAKEWOOD WATER DISTRICT
BOARD OF COMMISSIONERS
Minutes of Regular Meeting
August 17, 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.

*Due to the delay of Jeff Kray, items 6, 7, 7a, were reviewed and motioned made.

4. EXECUTIVE SESSION REVIEW SETTLEMENT OFFERS FROM AFFF MANUFACTURES. RCW 42.30.110(I) TO DISCUSS WITH LEGAL COUNSEL REPRESENTING THE AGENCY.

Commissioner Korsmo called the Executive Session to order at 3:45 PM, estimated time 30 minutes, 4:15 PM extended 20 minutes, 4:35 PM extended 25 minutes. Commissioner Korsmo closed the Executive Session at 5:00 PM. Commissioners asked Jeff Kray to provide a report on what has been spent and what the proposed contract amendment will cover.

5. RATE STUDY PRESENTATION BY FCS GROUP

General Manager Black recapped the prior year's budget and the funding that the District applied for. With the new EPA MCL levels, we have to review the potential funding issues. If the EPA doesn't change the MCL, this will change how quickly we will need to move forward on the wells. In order to help pay for the PFAS mitigation, the District can reduce the amount of R&R for the next two years from \$4.3 M to \$1.0 M and put the difference to the PFAS capital costs.

Commissioner Rediske inquired if the R&R projects are on track and if the delays will put us a little behind and will the 50-year extend R&R program need to be moved out a few years, or if we get the grant funding, will we go back to the full R&R program funding? General Manager Black shared that we are on track for the 50-year R&R program. He shared that if all of the funding comes in and the MCL is not raised, we can restart the R&R projects. If not, we will extend the R&R timeline by two years.

Commissioner Barton inquired if the R&R for the tanks was included in this projection. General Manager Black shared that we're not taking any money from storage and supply; it is running as is. Commissioner Barton would like to see what the actual rate will be for that year.

General Manager Black confirmed the direction he heard is that staff should look to see source and supply substituting for the money for the R&R program so it can continue and what if we use the R&R and source and supply for funding. Is the Board comfortable with the direction staff is going to avoid a double-digit rate increase?

Commissioners agree with the direction staff are going and look forward to the budget workshop in October.

6. APPROVAL OF MEETING MINUTES FROM 7/20/23, 7/27/23, & 8/10/23 REGULAR MEETING.

COMMISSIONER REDISKE MOVED TO APPROVE THE SPECIAL MEETINGS FROM JULY 20, 2023, JULY 27, 2023, AND AUGUST 10, 2023. SECOND BY COMMISSIONER BARTON. MOTION PASSED UNANIMOUSLY.

7. FINANCIAL INFORMATION

Philip Mendoza, Finance Manager, presented the July 2023 financial to the Board. He shared that *retail sales* in July 2023 exceeded the budget for the month. Currently we are 54.1% ahead of the budgeted and 15.9% ahead YTD (July 23- 36.3M CCF vs July 22 -23.4M CCF). *Operating revenue* is 22.8% higher than budgeted and 6.34% ahead YTD. *Operating Expense* 3.8% under budget, 5.9% lower than budget. *Pumping operations* is 13.5% higher than budget and 7.5% under budget YTD; *Water Treatment operations* is 32.8% under budget and 20.9% under budget YTD. *Transmission and Distribution operations* is 32.6% lower than budget and 9.9% lower than budget YTD. *Total net operating revenue* is 79.9% higher than budget and 38.4% higher budget YTD.

a. Approval of Payables

Disbursements made from the General Ledger Fund for checks number 46185 through 46283 totaling \$1,502,052.59, salary direct deposits totaling \$218,951.08, payroll taxes totaling \$90,471.79, and other electronic payments totaling \$354,014.54 for a total of \$2,165,490.00 were presented to the Board for approval.

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

8. GENERAL MANAGERS REPORT

Due to timing, General Manager Black shared all the managers reports are attached for review and asked the Commissioners if they had any questions, there were none.

9. OPERATIONS REPORT

Report attached.

10. ENGINEERING MANAGER'S REPORT

Full report attached.

Engineering Manager Meyer wanted to acknowledge the quick work of the staff regarding the wildfire in Ft. Steilacoom Park. Staff were able to help move water around to ensure that homes and properties were protected. He wanted to shout out to Zac, Brent, Ryan, Lucas, and Jake for

all their efforts. They had to go manually open a couple of pressure regulating valves and increase and manually start up some of our pumps to keep water moving in that direction. Staff believes an additional 700,000 gallons were pumped during the fire. He would also like to give kudos to the office staff for directing information and sending it out to the pumping crew.

Engineering Manager Meyer provided an update requested by Commissioner Barton on immediate well projects. The wells that will be drilling first with the State Revolving Funding \$8.2 Million loan will drill two replacement wells. The Oakbrook Tank site O-2 and O-3 wells have been off since late 2021. They are shallower aquifers (A&C); we plan on drilling deeper into the E aquifer. If we don't find it there, we will drill down to the G aquifer. The plan is to drill one well there, and if it provides the water in quantity and quality, we will plan on going back in a few years to drill a second replacement well since there are currently two wells at this location.

The other location is the Hipkins Rd site. At Hipkins, we have several shallower wells that have had decreasing yields over time. Several of them had been turned off previously due to low flow rates. We had been only using one well there because of the diminished flow until PFAS was detected, and we turned that one off. That well had decreased to around 400 gpm. We would want to dig deeper and hopefully not find any PFAS in our geoaquifers and have an increase in production. Those would be the first two replacement wells.

11. IT MANAGER'S REPORT

Report attached.

a. B-1432 Cross Connection Program Policy & Procedures Exhibit A Update

IT Manager Fast shared that we are proposing an update to the policy section of Resolution B-1432, Exhibit A, Section X, dealing specifically with compulsory testing and failed test reports. We recently ran into a situation where a District contracted compulsory tester repaired a failed assembly and assumed the District would pass the charges along to the customer (\$400 repair charge). The District had not identified a policy to address when an assembly fails a compulsory test and the tester repairs the system. Staff realized this type of situation needed to be addressed in the policy. We have not previously asked the Board of Commissioners to authorize the chargeback of repairs to customers, and we are in favor of this approach.

This option will help resolve the issue of a failed backflow assembly immediately and the need to postpone the completion of the annual backflow testing compliance cycle. This will help customers get a speedy resolution for a failed system. We ask the board to approve the chargeback of repair costs when an assembly fails a compulsory test. We will require that a District CCS witness the failed test before repairs are authorized.

If the device is unable to be repaired or needs to be replaced, we recommend shutting off the customers' water until such time as arrangements satisfactory to the District can be made to have the device repaired or replaced. These arrangements are typically in the form of a tester contacting the District to confirm an appointment to make the repair or replacement.

Commissioners acknowledge the changes to section X in B-1432 Cross Connection Program Policy & Procedures Exhibit A Update.

COMMISSIONER REDISKE MOVED TO APPROVE THE PAYMENT OF THE \$400 COMPULSORY TESTING REPAIR. COMMISSIONER BARTON SECONDED. THE MOTION PASSED UNANIMOUSLY.

12. HR MANAGER'S REPORT

Report is attached.

**Item 14 was moved before Item 13.*

13. EXECUTIVE SESSION RCW 42.30.110(G) TO EVALUATE THE QUALIFICATIONS OF AN APPLICANT FOR PUBLIC EMPLOYMENT OR TO REVIEW THE PERFORMANCE OF A PUBLIC EMPLOYEE.

Commissioner Korsmo called Executive Session to order at 5:47 PM. At 5:57 PM extended 10 minutes, 6:07 PM extended 10 minutes, 6:17 PM extended 5 minutes. Commissioner Korsmo closed Executive Session at 6:22 PM.

14. Other Business:

- a. The Board acknowledged the wage increase this month.
- b. Commissioner Barton shared due to timing he will provide his WASWD update at the next meeting.
- c. Our next Commissioner's special meetings will be on September 7, 2023, at 8:00 AM and September 28, 2023, at 8:30 AM.

15. PUBLIC COMMENT

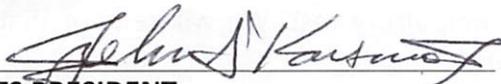
None.

16. ADJOURN

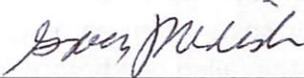
President Korsmo adjourned the meeting at 6:25 PM.

**LAKWOOD WATER DISTRICT
BOARD OF COMMISSIONERS**

BY:


ITS PRESIDENT

BY:


ITS VICE PRESIDENT

BY:


ITS SECRETARY

BY:

 9/28/23
DISTRICT SECRETARY (DATE)