

## **WATER TOWNHALL MEETING**

SEPTEMBER 26, 2024

### **I. INTRODUCTIONS**

- a. Board of Trustees-Eric, Judy, Mike, Jim, Jeff, Sarah, Julie
- b. Water Committee-Ron and Doug plus Eric, Jim, Mike, Tom, and Theresa
- c. Employees-Penny, Jacob (Brian not attending at this point)

### **II. BACKGROUND**

Scott Lake Maintenance Company, the Homeowner's Association for our development, owns the water system and serves almost 600 properties with water.

The system was installed beginning in the early 1960's and has grown to include:

- Four wells
- Two reservoirs (one concrete one steel)
- Two booster pump stations
- Roughly 5.5 miles of pipe (made up of various materials including galvanized steel, asbestos concrete, and plastic)
- 600 water services
- One water treatment system to adjust pH
- 32,872,000 gallons of water pumped and distributed in 2023

Our system is classified as a Group A public water system, which means we have more than 15 services. We are required to have a Certified Water Operator (CWO) by the Washington State Department of Health (DOH). They oversee the operation of the system and we have contracted with Northwest Water Systems (NWS) to be our CWO. We have also contracted with NWS to do the billing for our water system and for the homeowner's association dues.

Our water system must comply with Washington State Departments of Health and the Department of Ecology regulations, with most direct regulatory oversight by the Department of Health. DOH requires that we have a Drinking Water Operating Permit, which we have. That permit also has color categories (green, yellow, blue, or red) and our system is in the green category. That means the system is adequate for serving the existing uses (customers) and we meet DOH drinking water requirements.

### **III. CONDITION**

This does not mean that there aren't issues with our system that need to be addressed. As many have experienced, we have a build up of sediment in our pipes that can be stirred up during times of high flows or when the system has to be shut off and turned back on. The majority of this sediment has been attributed to iron and manganese, which are naturally occurring minerals in our water settling out in the system. Other concerns include age and condition of the pipes and fittings, age and condition of valves and lack of isolation valves, presence of PFA's, and ensuring the mechanical components are in good condition (pumps, etc.).

The system has needs for major upgrades. Historically we have not raised rates sufficient to cover the cost for these upgrades and consequently we are needing major upgrades all at once.

#### IV. WATER QUALITY

Our water is tested for multiple constituents that include:

- Nitrates
  - Complete Inorganic (IOC)
  - Iron
  - Manganese
  - Volatile Organics
  - Herbicides
  - Pesticides
  - PFAS
  - Soil Fumigants
  - Gross Alpha
  - Radium 228
- Our water is tested for multiple Share some iron and manganese tests.  
Discuss PFA's

We have iron and manganese in our water that is the source of our sediment (as determined by NWS). There was a test done in 2022 that suggests that water from Well #6 is above the maximum allowed per DOH regulations, but it was retested and is below DOH maximum requirements. The original test was not taken appropriately. We meet DOH requirements, but over the years the iron and manganese has settled out in the system the sediment is stirred up when water pressure and flows change. More discussion in a later point.

A recent chemical has come to the attention of Environmental Protection Agency (EPA) and DOH, PFA's. All systems were required to test for PFA's across the United States starting in 2023 and many, including ours, were found to have them. Per- and polyfluoroalkyl substances (PFAS) are a large family of human-made chemicals. They have been used since the 1950s to make a wide variety of stain-resistant, water-resistant, and non-stick consumer products. Some examples include food packaging, outdoor clothing, and non-stick pans. PFAS also have many industrial uses because of their special properties. In Washington State, PFAS have been used in certain types of firefighting foams utilized by the U.S. military, local fire departments, and airports. Some of the most common and best studied PFAS, such as perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS), have been removed from most products because of health and environmental concerns. These long-lasting chemicals continue to be released into our environment from older products and discarded materials. Newer PFAS compounds have replaced older PFAS compounds and at least some appear to pose similar problems.

Our levels do not exceed current DOH accepted levels, but the EPA has set new maximum levels that we do exceed. We are required to comply with DOH regulations and DOH will likely adjust those to align with the EPA's. We are required to comply with a monitoring

plan and provide treatment within 5 years. This was unexpected and will be expensive. That has shifted our plans for some major upgrades that have included water main replacement. See actions being taken by SLMC below.

## **V. FINANCIAL INFORMATION**

- a. See cash accounts-separate sheet
- b. Rates-Overview
  - i. Base Fee-\$67.60 per month
    1. This covers the cost of the water service to your property and up to 700 cubic feet (c.f.) of water.
  - ii. Extra Water Usage- for useage over 700 c.f., rounded up to the next nearest 100 feet
    1. \$1.25 per 100 c.f. between 701-1000 c.f.
    2. \$1.75 per 100 c.f. between 1001-1500 c.f.
    3. \$2.00 per 100 c.f. over 1501 c.f.
  - iii. Replacement Reserves-\$10 per month
    1. Every lot in the development is charged \$10 to go towards building the water reserves for needed capital projects.
  - iv. Additional fees are charged for late fees, water shut off, etc. (see fee schedule).
- c. Rates are set every year through the budget process. The Board is responsible to set the rates such that we generate enough revenue to operate the water system and provide for capital improvements/replacement of worn out components.

## **VI. CAPITAL PROJECT INFORMATION**

- a. Asset management

In 2022 SLMC contracted with North West Water Systems to develop a Water System Reserve Study of all water system assets. The study details specific information for the nearly 300 identified components including:

- Year installed,
- Expected service life,
- Current age,
- Remaining useful life,
- Estimated current replacement cost and
- Projected cost at next replacement of the component.

Based on the study, many of the components are beyond their expected service life. We are using this tool to prioritize the replacement of those aged components and seek possible funding for needed improvements.

As noted below we have addressed some of the highest priority issues identified in the study. We have also made improvements to the system to streamline repairs. And all along, we have had to address unexpected repairs. The components that are proposed for

replacement in the next 3 to 5 years are reviewed annually to help develop the next year's expected scope of work and develop the annual water system budget.

**VII. RECENT IMPROVEMENTS AND EFFORTS**

- a. Inspect and Clean the reservoirs. Repaired a leak in the concrete reservoir
- b. Paint and re-roof water buildings
- c. Replace pressure tanks in upper booster station
- d. Replace booster pumps in both booster stations
- e. Replaced 150 water meters with radio read. Will eventually replace all meters to improve efficiency. New meter give more data, such as peak times of usage, flags for potential water leaks, etc.
- f. Relaced leaking valves in upper and lower booster stations.
- g. Installed isolation valves throughout the system
- h. Contracted with a company to repair and maintain our generators.
- i. Replaced nonfunctioning valves at the wellfield and installed an additional valve to allow isolation of the Treatment building.
- j. Cleaned and inspected the hydropneumatic tank.
- k. Separated the business financials between water and HOA
- l. Numerous repairs

**VIII. CURRENT BUDGETED WORK**

- a. Small Water System Plan
  - i. Emergency response
- b. PFAs treatment alternative analysis
- c. Fire hydrant at upper reservoir
- d. Finish install of last valve cluster and replace several non functioning valves
- e. Investigate flushing program
  - i. Replace valves to blowoffs as needed
  - ii. Repair any blowoffs
- f. Install another 150 radio read meters and purchase software and reading equipment

**IX. FUNDING**

- a. Longer Range plan-Replacement of the distribution system. This is a huge project that far exceeds our reserves. Very ballpark looking at \$6 million or more. We are investigating the options for funding. Our system is not typically eligible for grants, but low interest loans are possible. The first step is to finish the Small Water System Management Plan and to work with DOH, NWS, and others to look for opportunities.
- b. We are investigating funding options. We will continue to pursue any grants that we might be eligible for, but it is likely that we will have to look at loans.
- c. Overview of loan scenario and cost impacts to property owners.

**X. WRAP UP**

There is a lot more work that needs to be done and as with most things, we don't have enough money and all of the work will take time-years. We will continue to install capital upgrades that we can fund through our reserves and will continue to explore funding for the large capital work. Options will be shared with the community.

**QUESTIONS**