

LAKEHAVEN WATER AND SEWER DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
February 9, 2017

A regular meeting of the Board of Commissioners of the Lakehaven Water and Sewer District, King County, Washington, was held on February 9, 2017 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

President Englund called the meeting to order at 6:05 p.m. and asked Commissioner McClain to lead the flag salute. Members/officials present were as follows:

Leonard Englund	President
Timothy McClain	Vice President
Peter Sanchez	Commissioner
John Bowman	General Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information Services

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board unanimously **excused** Commissioners Miller and Nowicki from the meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board, unanimously **adopted** the minutes of October 27, 2016, November 17, 2016 and December 7, 2016, as presented.

APPROVAL OF AGENDA

Upon motion of Commissioner Sanchez, which was duly seconded by Commissioner McClain, the Board unanimously **approved** the agenda as presented.

CITIZEN COMMENTS

Kerry Wade and Pam Carter were in attendance to address the Board about the possibility of using the Board room to hold Dog Park patron meetings. The Board requested that staff review other local agency's policies on facilities use and report back to the Board on these policies. The Board informed Ms. Wade and Ms. Carter that they would have someone from the District follow-up with them once an updated policy on facilities use is approved. Ms. Wade and Ms. Carter thanked the Board for their time.

CONSENT ITEMS

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board unanimously **approved** the Consent Items as presented below.

1. Payment of the accounts payable and payroll transactions as listed in the consent item with warrant dates of 1/24/17, 1/25/17, 1/26/17, 2/8/17, 2/9/17, 2/10/17, and ACH Transaction Fees, in the total amount of \$2,534,915.73.
2. 2015 – 2016 Gravel/Cold Mix Purchase (14-1205) Completion.
3. 2014 – 2017 Asphalt and Concrete Restoration and Manhole/Valve Box Adjustments Services.

ACTION ITEMS

#1, 2017 Board/GM/GC Conference/Travel Authorization: Steve Pritchett reported that Board approval is needed for the Commissioner's and management staff's travel requests each year.

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board unanimously **approved** travel and associated expenses for all Commissioners, the General Manager and the General Counsel for conferences and other training opportunities that may arise in 2017.

INFORMATION ITEMS

#1, 2017 – 2020 Water Inventory Contracts: Phil Hite reported that the current Water inventory Contract is due to expire the end of March of this year. Mr. Hite informed the Board that some of the materials in the contract aren't used on a regular basis, but are included to give a baseline pricing for purchases. Mr. Hite reported that he just received the 2017-2020 Water Inventory Commodity Classes and provided a copy of the handout to the Board and staff. Mr. Hite informed the Board that with the four current inventory contracts set to expire on March 31, 2017, staff is planning to rebid for all material classifications and develop new 3-year inventory contracts covering the remainder of 2017 through a portion of 2020. He reported that staff will be bringing this matter back before the Board once bids are received.

#2, Lakota Administration/Maintenance Buildings Emergency Power Upgrades: Gene Yoder reported that a single on-site generator for the Administration building and an auxiliary power unit plug with a transfer switch for the Maintenance building will be sufficient to meet the District's needs. Staff has acquired a surplus generator from Centralia. It is staff's recommendation to refurbish and utilize this skid mounted generator in order to reduce costs

while still meeting the goals of the comprehensive plan. The on-site generator would be placed in a pre-fabricated building that can be purchased through state contract and wired by in-house electrical staff along with a new plug and transfer switch for the maintenance building. The estimate cost to complete the project as described will run approximately \$200,000.00.

#3, Unit 78 Replacement – Cleaner/Vacuum Truck: Gene Yoder reported that Unit 78, 2001 High Velocity Jet Rodder/Vacuum truck, is used nearly every day to maintain sewer lines throughout the District. Unit 78 is 16 years old and has had a lot of preventative maintenance performed on it, but nothing major to date. Having a dependable truck is essential to the efficient maintenance of the collection system and critical for unclogging blockages in emergency situations. As this vehicle continues to age, there are concerns about its reliability. It is staff's recommendation that the Board consider moving Unit 78 to surplus and replace it with a new vehicle of similar function. Staff anticipates that it will have the final cost to replace this vehicle in the next couple of weeks and will come back before the Board with these figures. Mr. Yoder informed the Board that it will take approximately 365 days to receive a vehicle once it is ordered.

#4, AMR: Gene Yoder presented a PowerPoint presentation on Automatic Meter Reading to update the Board on the progress made to date and to discuss possible next steps. Discussion was held on entering into an interlocal agreement for the purchase of meters as opposed to going out to bid on this. The Board requested to move forward with this project

#6, 2010-2013 Sodium Hypochlorite Contract Change Order #6: Randy Martinez reported that due to deterioration of the UV disinfection system at the Lakota WWTP and the flooding of the Redondo WWTP UV system, the District is currently using sodium hypochlorite to maintain disinfection levels required by the discharge permits issued by the State. The Board authorized a change order back in August 2016 to the existing contract with Northstar Chemical Inc. to purchase additional sodium hypochlorite to meet anticipated disinfecting needs for the construction phase of the Lakota WWTP UV system replacement project, which began in October, 2016. Since this time, the construction phase at Lakota has been underway and the effluent flow is being re-routed from the UV channels through a shorter by-pass channel. Prior to construction, the dosage rate for the shortened detention time was an unknown variable and, as a result, the actual dosing rates are about 3-4 times higher than previously estimated for Lakota WWTP. The prior estimates for Redondo WWTP have been as expected. Staff is requesting that a change order in the amount of \$822,000.00 be approved for the cost of the additional product.

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board unanimously **amended** the agenda to add **Action Item #2, 2010-2013 Sodium Hypochlorite Contract Change Order #6; Approval.**

Action Item #2, 2010-2013 Sodium Hypochlorite Contract Change Order #6; Approval: Upon motion of Commissioner McClain, which was duly seconded by Commissioner

Sanchez, the Board unanimously **approved** Change Order #6 with Northstar Chemical, Inc. in the amount of \$822,000.00 as is described in Exhibit A.

#5, South 356th Street Improvements – Bid Award and ILA Amendment: John Bowman reported that the District partnered with the City of Federal Way on the road project to relocate part of the existing water main. The City's lowest bidder for the District's portion of the City's South 356th Street Improvements was SCI Infrastructure LLC, with a bid in the amount of \$323,901.00, including sales tax. Staff is asking the Board to move this information item to action and provide authorization to approve the bid for that schedule and execute the amendment to our Interlocal Agreement with the City of Federal Way.

Upon motion of Commissioner Sanchez, which was duly seconded by Commissioner McClain, the Board unanimously **amended** the agenda to add **Action Item #3, South 356th Street Improvements – Bid Award and ILA Amendment; Approval.**

Action Item #3, South 356th Street Improvements – Bid Award and ILA Amendment; Approval: Upon motion of Commissioner Sanchez, which was duly seconded by Commissioner McClain, the Board unanimously **approved** the South 356th Street Improvements Bid Award and ILA Amendment as presented.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Sanchez shared that he has postponed his retirement from his job, due to a number of factors, until January of 2018.

Commissioner McClain reported on the Federal Way Chamber luncheon, Safety Committee and Personnel Committee meetings he attended. He also informed the Board of a matter that occurred last week while he was having breakfast and that he will pay the dollar amount of his breakfast that was gifted to him to the CAP fund.

Commissioner Englund reported on the Federal Way Chamber luncheon and Personnel Committee meeting he attended.

STAFF REPORTS

General Counsel: Mr. Pritchett reported on the upcoming Water Conservation Poster Contest and mentioned that it may be worthwhile having someone from the Board communicating with the school district to encourage them to see the value in this contest to help with participation. Commissioner Englund reported that he would be happy to attend the school board meeting and voice this as a public comment.

Commissioner McClain commented on the value of the District being a WASWD member and mentioned how helpful WASWD was in distributing our Customer Newsletter questions to other WASWD members and getting the useful feedback to our questions.

Last year about this time, staff did a rate survey of approximately 18 local jurisdictions and will be doing this again. Staff is hoping to send the new survey with the newsletter.

Mr. Pritchett informed the Board that he was contacted by Judge Larson of the Federal Way Municipal Court to participate in a mock trial competition for high school students that will be taking place this Saturday at the courthouse.

Mr. Pritchett mentioned that he had anticipated there would be someone at the meeting tonight to discuss the street lighting system. Discuss was held on the District doing street lighting systems in areas outside of the District.

Mr. Pritchett reported that John Bowman and he will be attending the King County Ordinance Group meeting next week in Bellevue. He also reported that there is a Summary Judgement motion scheduled for March 24th.

Director of Finance/Information Systems: Mr. Dennis reported that the Auditors Office released a report of clean opinion for 2015. Mr. Dennis informed the Board that he attempted to contact the Regional Manager to discuss hiring outside auditors as opposed to State auditors and that he will update the Board once he receives more detail on this matter.

General Manager: Mr. Bowman reported on the damage to the Redondo WWTP due to the heavy rains as well as other difficulties caused by the recent weather activity. Discussion was held on improvement options for these types of incidents.

Mr. Bowman discussed membership options for the AWWA and it was the consensus of the Board to go with the corporate member because of the added benefits to the District.

Mr. Bowman informed the Board about a claim for damages that was submitted as a result of a water main flushing incident.

Mr. Bowman informed the Board about a certificate received from the Multi-Service Center for expediting permits in support of the William J. Wood Veterans House.

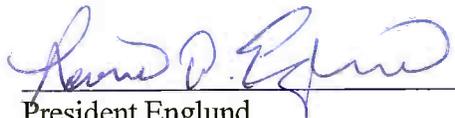
EXECUTIVE SESSION

At approximately 8:40 p.m., the regular meeting was recessed in order to conduct two executive sessions pursuant to RCW 42.30.110(1)(i) for the purpose of discussing two potential litigation matters. It was stated that the executive session would last approximately 15 minutes

with no action to be taken. At approximately 8:55 p.m., the executive session was adjourned and the regular meeting was reconvened.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:55 p.m.



President England

Yea Nay Abstain

ATTEST:



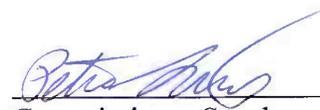
Vice President McClain

Yea Nay Abstain

ABSENT

Secretary Miller

Yea Nay Abstain



Commissioner Sanchez

Yea Nay Abstain

ABSENT

Commissioner Nowicki

Yea Nay Abstain