

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
February 22, 2007

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on February 22, 2007 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington, 98003.

President Miller called the meeting to order at 6:00 p.m. and asked Commissioner Gibson to lead the flag salute. Members/officials present were as follows:

Don Miller	President of the Board
Ron Nowicki	Vice President of the Board
Chuck Gibson	Secretary of the Board
Ed Stewart	Commissioner
Beverly Tweddle	Commissioner
Don Perry	General Manager
Bert Ross	Engineering Manager
Morgan Dennis	Director of Finance/Information System

It was noted that Steve Pritchett, the District's General Counsel, was not in attendance as he was out of the area.

APPROVAL OF AGENDA

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the evening's agenda as presented.

CONSENT ITEMS

Commissioner Miller stated that, at times, the explanation on the voucher list may not completely explain the item or service that is being paid. He urged Board members to consider this when reviewing the voucher listing that is included in their agenda packets.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the Consent Items as presented below:

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 2/12/07, 2/13/07, and 2/23/07
Maintenance Fund No. 11-333-0510
2/12/07, voucher no. 7716-7804, total amount of \$160,301.19;
Construction Fund No. 11-333-3510
2/13/07 voucher nos., 7805-7812, total amount of \$40,584.42;
PWTF Wellsite & Emerg Power Fund No. 11-333-6020

2/13/07, voucher no. 7813-78150, total amount of \$4,263.99;
PWTF Lakota BioDryer Fund No. 11-333-6030
2/23/07, voucher no. 7816, total amount of \$862,025.47

Payroll – Fund #11-333-0503 2/23/07

Warrants:	\$2,947.89
Direct Deposits:	\$179,482.85
Benefit Warrants:	\$52,333.62
	(voucher nos. 7817-7831)
<u>Withholding/FICA</u>	<u>\$76,860.31</u>
Total Amount of:	\$311,642.67

2. Jovita Heights/West Hill Plat (Cornerstone)-Corporate Annexation; Resolution No. 2007-1083
3. Pacific Highway South-Phase III-Interlocal Agreement-City Bid Review
4. Vehicle Replacement

ACTION ITEMS

#15, Resolution of Commendation-Bertram L. Ross; Resolution No. 2007-1082: Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **adopted** Resolution No. 2007-1082, commending Bertram L. Ross for his 25 years of dedicated service to the District. Commissioner Miller read the resolution, which provided a history of Mr. Ross' public service, beginning on February 22, 1982 when he began his career with former King County Water District No. 56. Mr. Ross thanked the Board for all attending his retirement dinner the prior weekend. He provided some remarks during which he thanked the Board and management for the opportunities he had been given over the years and thanked everyone else as well. The Board then thanked Mr. Ross for all of his hard work for the District and for the support of his family.

#16, On-Call Wastewater Design Services Contract Change Orders: Chris McCalib, the District's Assistant Wastewater Operations Supervisor, presented this item, which requested additions to the existing Wastewater Design On-Call Services to facilitate CIP design and implementation of the following five tasks: 1) the Redondo Wastewater Treatment Plant Headworks Mechanical Screen Installation; 2) the Lakota Wastewater Treatment Plant Pre-Settling Basin Modifications; 3) The Lakota Primary Digester Equipment Upgrade; 4) the Redondo Thickener Installation Study, and 5) the Redondo Wastewater Treatment Plant Re-Rating Study. Commissioner Nowicki noted that all of the items listed on this agenda bill had been discussed at the Operations Committee meeting and were also included in the capital budget. He added his concern with the amount of the change order as opposed to the contract amount that was included in the original contract with Earth Tech, Inc. He suggested that the original amount for the on-call contract be reviewed at a later time. Mr. McCalib then reviewed

the five tasks and explained the need for the change order for each task. Subsequent to the discussion, the Board considered this item.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the change order proposals for the contract with Earth Tech, Inc. for the 2006-2007 On-Call Wastewater Design Services Contract as requested for a total amount of \$236,500.00 to provide for the necessary improvements and upgrades to the Wastewater Facilities provided for in the 2007 Capital Improvement Budget.

#17, Service Renewals Contract: Gene Yoder, the District's Manager of Field Operations, presented this item. He reviewed that staff had come to the Board in January with the hope of awarding a contract to one of the local contractors that had bid on it; however, the bid results came in very high and all bids were rejected. Since then, staff separated the work between the City of Federal Way and King County and had them bid separately. The bid opening was the prior day and there were two bidders for the King County work. The Engineer's estimate was way below the bids that had been submitted. Both contractors were contacted and both had reasons for the high bids they submitted. Mr. Yoder then indicated that he was recommending that the Board reject these bids. He then reviewed the two bids that were received for work within the City of Federal Way. One bidder came in at the Engineer's estimate. Mr. Yoder stated that this contractor had worked for the Highline Water District and added that he would be checking his references. He suggested that the Board consider approving the low bidder for the City work and then possibly later consider a change order with this contractor for the King County work.

Upon motion of Commissioner Tweddle which was duly seconded by Commissioner Gibson, the Board unanimously **rejected** the bids for the 2007 Water Service Line Renews Project – King County and **approved** the bid submitted by NorTec Construction of Kent, Washington in the amount of \$308,502.40 for the 2007 Water Service Line Renews Project – Federal Way area. By their same vote, the Board **authorized** the General Manager to sign, on behalf of the District, the construction contract for the 2007 Water Service Line Renews Project – Federal Way area.

#18, Reschedule March 15th Special Meeting: At the January 18th Special Board meeting, the Board scheduled a special meeting for March 15th, 2007 to discuss water and wastewater rates. Due to a scheduling conflict, the District's rate consultant, Ed Cebren, will be unable to attend a meeting on that date. Mr. Dennis proposed a meeting be scheduled for March 1st. A discussion followed and it was determined that three Board members would be unavailable on that date. Subsequent to the discussion, it was determined that this item be tabled until an appropriate date can be found.

#19, 2007-Board/General Manager/General Counsel Conference Travel Authorization: At the February 8, 2007 Board meeting a booklet containing a listing of the 2007 conference schedule was provided to the Board, General Manager and General Counsel. The

purpose of this item was for the Board to consider authorizing travel for the Board, General Manager and General Counsel to any of these conferences.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** travel for any Commissioner, General Manager and General Counsel wishing to attend any of the conferences listed on the 2007 Conference Listing.

INFORMATION ITEMS

#1, 2007-2008 1500-Pound Chlorine Cylinder Purchase: Chris McCalib, the District's Assistant Wastewater Supervisor, presented this item. He stated that this was a proposed multi-year contract with the provider that the District currently utilizes. He added that staff uses a fair amount of reuse water inside the treatment plant and the chlorine is necessary to prevent filter clogging, disinfect irrigation reuse water, etc. He stated that staff is requesting the Board consider a multi-year contract as staff discovered this vendor is the only supplier that will provide chlorine in quantities of 1,500 pounds per tank.

Subsequent to discussing this item, it was the consensus of the Board to hear the next information item before considering going forward.

#2, 2007-2009 BYO-GON PX 109 Product Purchase: Mr. McCalib also presented this item. He stated this contract would provide general provisions for augmentation of BYO-GON into both the Lakota and Redondo collection basins. The addition of this product will help enhance removal of fat, oil and grease (FOG) build-up in the collection systems and associated pump stations, improving the overall plant performances and lessening process upsets. He noted that since staff has been using this product during the last eight months, the odor complaints have decreased. The major benefit is cleaner pipes and fewer odors in the short term. The cost benefit of this product will become evident in the longer term. Subsequent to the discussion of both of the information items, it was the consensus of the Board to consider both.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** amending the agenda to add the following Action Items: **#20, 2007-2008 1500-Pound Chlorine Cylinder Purchase and #21, 2007-2009 BYO-GON PX 109 Product Purchase.**

Action Item #20, 2007-2008 1500-Pound Chlorine Cylinder Purchase: Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** a contract with Jones Chemicals for the 2007-2008 1500-Pound Chlorine Cylinder Purchase and **authorized** the General Manager to sign the contract on behalf of the District.

Action Item #21, 2007-2009 BYO-GON PX 109 Product Purchase: Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board

unanimously **approved** a contract with Process Products NW, Vancouver, Washington for the 2007-2009 BYO-GON PX 109 Product Purchase for a total bid amount of \$320,973.28, including sales tax, for a three year period and **authorized** the General Manager to sign the contract on behalf of the District.

Commissioner Nowicki suggested that the District's customers be told of the benefits of the BYO-GON product in the next Customer Newsletter.

Information Item #3, Two-Way Radio Contract: The Federal Communication Commission requires anyone with VHF Radio transmitting with wattage greater than 5-watts keep their radios properly tuned. Mr. Yoder indicated that staff sent out a Request for Proposals to perform preventive maintenance in order to keep the District's radios in compliance with the regulations. Two vendors responded to the request and Mr. Yoder briefly discussed them. Subsequent to the discussion, it was the consensus of the Board to consider this item at this meeting.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board unanimously approved amending the agenda to add **Action Item #22, Two-Way Radio Contract.**

Action Item #22, Two-Way Radio Contract: Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **awarded** the contract for the 2007-2009 Radio Communications Equipment Maintenance Services to Bearcom Wireless Worldwide for a total contract cost of \$34,575.00, including sales, and **authorized** the General Manager to sign the contract on behalf of the District.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki acknowledged the notes of the Operations Committee meeting. He then distributed copies of a document that had the contents of an emergency preparedness kit outlined. He noted the document was provided from Northshore Water and Sewer District and added that district is planning to put them together and offer them for sale.

STAFF REPORTS

Director of Finance and Information Systems: Mr. Dennis reported he had provided Board members a copy of the 2005 Audit report. He noted the cash receipting issue that had been discussed at the exit conference. Staff will be working on this during the year in preparation for another review next year. He stated he would be coordinating with members of the Finance Committee as well as the IT Committee to schedule meetings during the next two weeks to discuss a number of things as well as a report from the Security consultants. He added that if any Commissioners who were not members of these committees were interested, he was more than willing to have more than one meeting of each committee.

Engineering Manager: Mr. Ross reported on two projects that are going out to bid soon and would come to the Board within a few months. One project was the Water Main Replacement Project on South 380th Street, west of Military Road South. The water main has to be replaced and relocated as it is slipping into the Hylebos Creek Canyon with a road failure. The second project is relining of the 30" sewer trunk line upstream and downstream of the sewer manhole into which the force main from Pump Station #22 discharges. He added as a final report, the Engineering Department would soon be losing its department manager.

General Manager: Mr. Perry began his report by thanking Mr. Ross for the work he has done for the District and added he would be very much missed by all staff. He then reported he had received a telephone call from Fran McNair from the Department of Natural Resources, and she requested that she and a representative from the Department of Ecology be allowed to attend a Board meeting to speak to the Board about the Lakota Outfall. She indicated that they wished to make a proposal to the Board. Mr. Perry stated he would schedule them to come to the March 22nd Board meeting. Board members expressed an interest in receiving information prior to this presentation. Mr. Perry then stated he had received an email from Jeff Alexander, the new bargaining representative for the IUOE union. He is requesting the Board consider a three week extension of the appeal for Paul Stoermer. Subsequent to the discussion of this grievance, it was the consensus of the Board to provide the extension as requested. Mr. Perry noted that the union is also requesting a three week extension of the appeal for Tim Speaks. This issue was discussed and subsequent to the discussion, it was the consensus of the Board to deny the request. Mr. Perry next addressed the letter that was received from the City of Federal Way regarding the proposed placement of a Lakehaven Development Services employee at the City Hall. A brief history of this issue was provided and Mr. Perry reviewed the discussions that he had with the City's representative for this issue. A discussion followed with Board members providing their opinions on this matter. During the discussion, it was noted that this is a policy decision for the Board. Subsequent to the discussion, it was suggested that a presentation on this issue be provided and discussed at the March 15th Special Board Meeting.

EXECUTIVE SESSION

At approximately 8:07 p.m., the regular meeting was recessed in order to conduct an Executive Session for the purpose of discussing performance reviews for the General Manager and General Counsel. It was stated that the Executive Session would last until approximately 9 p.m. At approximately 9:00 p.m. it was announced that the Executive Session would continue until approximately 9:30 p.m. At approximately 9:30 p.m., it was announced that the Executive Session would continue until approximately 9:45 p.m. At approximately 9:36 p.m., the Executive Session was adjourned and the regular session was reconvened.

Subsequent to the discussion and consensus by the Board and, upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Nowicki, the Board

unanimously **amended** the agenda to add **Action Item #23, Salary Setting for the Year 2007 for the General Manager and General Counsel.**

Action Item #23, Salary Setting for the Year 2007 for the General Manager and General Counsel: Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **expressed** their appreciation for the work done by the General Manager and General Counsel and **approved** setting the annual salary for 2007 for the General Manager at \$123,100.00 as well as setting the annual salary for 2007 for the General Counsel at \$118,100.00. Both salary adjustments are to be retroactive back to January 1, 2007.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 9:45 p.m.

 _____ President Miller	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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ATTEST:

 _____ Vice President Nowicki	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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 _____ Secretary Gibson	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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 _____ Commissioner Stewart	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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 _____ Commissioner Tweddle	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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