

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
May 24, 2007

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on May 24, 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 led the flag salute. Members/officials present were as follows:

Don Miller	President of the Board
Ron Nowicki	Vice President of the Board
Ed Stewart	Commissioner
Beverly Tweddle	Commissioner
Don Perry	General Manager
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Nowicki, the Board unanimously **excused** Commission Gibson from the meeting as he was out of the country.

APPROVAL OF MINUTES

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **adopted** the minutes of the March 22, 2007, March 29, 2007, April 5, 2007, April 12, 2007 and May 10, 2007 board meetings, as presented.

APPROVAL OF AGENDA

Mr. Pritchett requested to add Consent Item No. 6, Capital Facilities Charges – Mixed Use Aggregation; Resolution No. 2007-1086 to the agenda.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the evening's agenda as presented, with the addition of Consent Item No. 6, Capital Facilities Charges – Mixed Use Aggregation; Resolution No. 2007-1086.

CONSENT AGENDA

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 5/23/07, 5/29/07, 5/30/07 and 5/31/07.

Maintenance Fund No. 11-333-0510

5/29/07 Voucher nos. 8750-8764, total amount of \$2,984.12;

5/30/07 Voucher nos. 8765-8865, total amount of \$540,137.74.

Construction Fund No. 11-333-3510

5/31/07 Voucher nos. 8866-8878, total amount of \$102,676.78.

PWTF Lakota Bio Dryer Fund No. 11-333-6030

5/31/07 Voucher no. 8879, total amount of \$4,781.98.

PWTF Redondo Outfall Fund No. 11-333-6040

5/31/07 Voucher no. 8880, total amount of \$11,972.79.

Payroll – Fund No. 11-333-0530 05/23/07

Warrants:	\$	2,960.61
Direct Deposits:	\$	168,778.20
Benefit Warrants:	\$	51,221.41
		(voucher nos. 8735-8749)
Withholding/FICA	\$	71,861.37
Total Amount of:	\$	294,821.59

2. Street Lighting System Proposal – SW 304th between 16th Ave SW and 12th Ave SW; Resolution No. 2007-1087
3. Appointment of Public Records Officer/Agent; Resolution No. 2007-1089
4. Surplus Property – Documatch Machine; Resolution No. 2007-1090
5. Lakota Biosolids Dryer Fund – Closing of Special Fund; Resolution No. 2007-1088
6. Capital Facilities Charges – Mixed Use Aggregation; Resolution No. 2007-1086.

ACTION ITEMS

#37, Board Meeting Schedule: Mr. Pritchett brought to everyone's attention the need to schedule a special meeting for water and sewer system rates and capital facilities charges. Mr. Dennis reported when others could be available for meeting dates. It was decided that a special meeting be set for Tuesday, July 10th at 9:00 a.m. Everyone in attendance at this meeting would need to allow for 3 hours. Ed Cebron and Lynn Takaichi will both need to be present at this meeting as well. Mr. Dennis further reported that they would possibly need one more meeting on this matter.

Commissioner Nowicki presented needing another special meeting on the 7th of June at 1:00 p.m. The purpose of this Special Meeting would be to discuss personnel and management issues. Board members would meet for an executive session and no staff would need to be present.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** that a Special Meeting be set for July 10, 2007 at 9:00 to discuss water and sewer system rates and capital facilities charges and a Special Meeting be set for June 7th, 2007 at 1:00 p.m. for Board members only to discuss personnel and management issues.

#38, 2008 Wastewater Comprehensive Plan – Consultant Contract: Mr. Bowman reported on the same scope of work as last meeting. He handed out a letter of May 24, 2007, from Martin Penhallegon, P.E. of PACE, regarding the Lakehaven Wastewater Plan update and their commitment to complete a document of the highest quality on time and within budget. Mr. Bowman explained that Exhibit B-3 of the 2008 Comprehensive Wastewater Plan is different from the previous plan in that it has a progressive lump sum payment schedule for work completed that is broken up into 7 tasks with dates and payments for specific tasks. He explained that they do not have in the packet the actual contract document and that he will be working with Mr. Pritchett in drafting a contract. He commented that the second to last paragraph in PACE's May 24th letter mentions a recently hired person to back up Susan Boyd. The person referred to in the letter is former District employee, Mary Ausburn. Commissioner Miller asked that Mary Ausburn's bio be included. He further commented that it was his understanding that only if everything was in order and complete, would they be paid. Mr. Bowman reported that they will be able to hold money for longer periods of time than under the last contract. He went on to explain that the lump sum payment is included in the \$275,000.00 figure and \$6,720 is the retained rate increase of 5% as of January 1st. The Board held discussion on the retainage amounts, end dates and penalties if not completed on time. Mr. Pritchett explained the Growth Management Act deadlines and how the public works trust fund would be most impacted if not completed. Mr. Perry commented that PACE had a turn over of staff during the water comprehensive plan and were 18 months late, however, not all was in their control. Mr. Bowman provided a copy of a letter dated May 16, 2007 from the Department of Health to Stan French regarding their positive comments on our Water System Plan that PACE submitted. Mr. Bowman is looking for approval of scope and cost and the authorization to execute a contract developed through purchasing.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the execution of the lump sum contract with PACE Engineering, Inc. for the proposed scope of services in the amount of \$275,000.00, with the understanding that the final contract would be reviewed through Mr. Pritchett.

INFORMATION ITEMS

No. 1, Interagency Agreement Between Washington State Department of Ecology and Lakehaven Utility District Regarding the Lakota Outfall: Andrew Wilt reported on the purpose of this agreement between the Department of Ecology and Lakehaven Utility District and how the agreement would provide Lakehaven Utility District funding for an evaluation of the replacement of the Lakota Wastewater Treatment Plant's wastewater outfall in Dumas Bay and related pre-design activities, not to exceed \$621,764.00. Mr. Bowman presented a handout for Exhibit B – Basis of Compensation in an excel spreadsheet along with an Exhibit C – Example Progress Report. He indicated the State would like the Interagency Agreement completed by the end of June 2007. He further explained that the contract with Cosmopolitan Engineering Group could be done at a later time, but that the Interagency Agreement would need to be executed first. Mr. Pritchett commented that he saw the Agreement with the Department of Ecology, but not the contract with Cosmopolitan. Discussions ensued on what benefits this would bring to Lakehaven Utility District. Comment was made by Chris McCalib that this would be a good faith step towards improving a point-source discharge into the Sound. Mr. Wilt commented that we would be looking at the capacity of outfall at the same time and the study could provide useful information to benefit the District in that regard. More discussions held about benefits to Lakehaven Utility District and outfall replacement in the future. Commissioner Nowicki asked how quickly we could issue an invoice to State. Mr. Pritchett reported this could be worked out with Cosmopolitan.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **amended** the agenda to add **Action Item #39, Interagency Agreement Between Washington State Department of Ecology and Lakehaven Utility District Regarding the Lakota Outfall; Approval. (Contract with Washington State Department of Ecology Action Item #39 and Cosmopolitan Engineering Group Contract as a consent item.)**

Action Item #39, Interagency Agreement Between Washington State Department of Ecology and Lakehaven Utility District Regarding the Lakota Outfall; Approval: Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the Interagency Agreement with Lakota Outfall, and **moved** the Contract with Cosmopolitan Engineering Group as a consent item for the Board meeting on June 14, 2007.

No. 2, Lakota Secondary Clarifiers Corrosion Control: Chris McCalib brought this matter to the Board as an informational item for a multitude of reasons. He explained the process of the bid evaluation and the big disparity in total base bid prices. Long Painting Company's bid price of \$254,506.92, including tax, was incorrect and under the estimated bid by 32%. He handed out a letter from Long Painting Company dated May 23, 2007, and explained the inaccuracies in their bid. Mr. Pritchett discussed the alternatives of awarding the bid to Long Painting Company despite the claimed error, awarding to the second lowest bidder, or rejecting

all bids. Mr. McCalib explained that Long Painting Company went off of materials times square foot to do the bid, leaving off 30% of the job and that is why the bid was so low. He stated that the project has to start by July 1st to be completed on time because the tanks have to be dewatered and controlled and it cannot happen in the winter months. The Board asked what would happen if they waited another year. Mr. McCalib replied that restraints on operation would be minor and added that engineering estimated it would cost \$394,000 and it had been budgeted for \$400,000.00. It was the consensus of the Board to re-bid in the fall.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously amended the agenda to add **Action Item #40, Lakota Secondary Clarifiers Corrosion Control – Bid Award.**

Action Item #40, Lakota Secondary Clarifiers Corrosion Control – Bid Award. Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Nowicki, the Board unanimously **rejected** the bid proposals.

No. 3, Redondo Influent Screen: Chris planned to bring two submittal bids, but was unable to get bid package in. He would like to bring this back to the Board meeting on June 28, 2007.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki reported on his attendance at the Washington Association of Sewer and Water Districts (WASWD). He discussed his concerns about King County and its ordinance relating to sewer service and the Brightwater Treatment Plant. He mentioned he would like the legal department to look at this because of the work with King County and concerns about the assumption bill.

Commissioner Tweddle reported on the Association of Washington Cities Labor Relations Conference attended by herself and Mr. Pritchett in Yakima. She said the conference covered employment law and labor relations and that she felt it was a good conference overall. She mentioned that she had a binder from the conference if anyone would like to look at it.

Comment was made about the Commissioner Compensation Bill that was signed and will be effective on July 21, 2007. This new law increases the pay rate for commissioners from \$70.00 per day to \$90.00 per day. The bill was brought on behalf of a number of special purpose districts who pursued a compensation increase for elected officials in a single bill.

STAFF REPORTS

General Counsel: Mr. Pritchett reported on the Unfair Labor Practice case pending with the Public Employment Relations Commission regarding physicals for Commercial Drivers

Licenses. He related that the Union was seeking to amend the complaint originally filed in the matter and that he filed a responsive pleading contesting the motion.

Mr. Pritchett will provide the Board with a copy of the legislative summary from Phil Watkins.

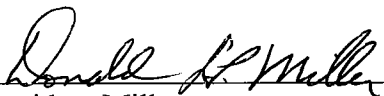
Director of Finance/Information Systems: Mr. Dennis reported on the new billing software to replace the current Continental Program. He will be putting together an information item for the June 28, 2007 meeting on the details, and suggests that the Board accept the proposal. He will be asking the Board to move this to an action item at the meeting. He commented on the efficiency of the company in Fife that the District uses to print and mail out billing statements. Commissioner Stewart had concerns about the perforated envelopes and Mr. Dennis said he would talk to the company in Fife and see if they could use non-perforated envelopes.

Engineering/Water Manager: Mr. Bowman mentioned that the Consumer Confidence Report was completed and will go out in June. He also reported that there was a Government Liaison Committee meeting that he would be attending and a Ground Water Advisory Committee Meeting on June 6, 2007 at 5:30 at Lakehaven Center.


General Manager: Mr. Perry reported that Mr. Bowman received a phone call from Auburn on Oasis and they are working on setting up meeting with Highline. He mentioned that the staff brought forward several computer maintenance management programs that were substantially less costly than others that had been reviewed in the past, and that we need to get moving on this soon. The operations meetings that are set up in June will need to be postponed because of National Incident Management Systems (NIMS) training going on at the same time as the meeting.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:20 p.m.



President Miller



Yea

Nay

Abstain

ATTEST:

<u>Vice President Nowicki</u>	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
<u><i>Absent</i></u> Secretary Gibson	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
<u><i>Edward C. Stewart</i></u> Commissioner Stewart	<u><i>✓</i></u> Yea	<u>Nay</u>	<u>Abstain</u>
<u><i>Severin J. Tweddle</i></u> Commissioner Tweddle	<u><i>✓</i></u> Yea	<u>Nay</u>	<u>Abstain</u>