

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
August 23, 2007

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on August 23, 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 Nowicki 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
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

APPROVAL OF MINUTES

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **adopted** the minutes of the meeting of July 19, 2007, as presented.

APPROVAL OF AGENDA

Mr. Pritchett requested to add Action Item #57, 2007 Server Room Relocation Project to the agenda.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Miller, the Board unanimously **approved** the evening's agenda as presented, with the addition of Action Item #57, 2007 Server Room Relocation Project.

COMMISSIONER COMMENTS

Commissioner Miller commented on the article from the News Tribune regarding researchers from Oregon State University performing drug testing by using just a teaspoon of wastewater from a city's sewer plant.

CORRESPONDENCE

Don Perry handed out a letter from Village Green Retirement Campus requesting use of the fire hydrant meter for Festival Days at no charge. Discussion was held on this matter, and it was the consensus of the Board that we can do it prudently and as part of the District's participation in water conservation. The Board also agreed that the General Manager could do this for similar future community events without Board approval.

CONSENT AGENDA

The Board commented on a voucher for an employee settlement in the amount of \$10,956.00. Mr. Pritchett explained that this was a settlement for unpaid overtime compensation. He also reported to the Board that there is one other employee that will receive a settlement for this as well.

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

Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 8/8/07, 8/13/07, 8/14/07, 8/15/07 and 8/23/07.

Maintenance Fund No. 11-333-0510

8/13/07 Voucher nos. 9512-9515, total amount of \$1,921.07;
8/14/07 Voucher nos. 9516-9605, total amount of \$218,780.42;
8/15/07 Voucher no. 9619, total amount of \$10,956.00;
8/23/07 Voucher no. 9634-9714, total amount of \$288,909.90.

Construction Fund No. 11-333-3510

8/15/07 Voucher nos. 9606-9618, total amount of \$242,705.50;

PWTF Redondo Outfall Fund No. 11-333-6040

None

Payroll – Fund No. 11-333-0530	08/08/07	8/23/07
Warrants:	\$ 0.00	979.67
Direct Deposits:	\$ 207,800.30	175,974.91
Benefit Warrants:	\$ 148,067.84	52,786.95
	(voucher nos.9497-9511)	(voucher nos. 9620-9633)
<u>Withholding/FICA</u>	<u>\$ 91,769.40</u>	<u>73,398.97</u>
Total Amount of:	\$ 447,637.54	303,140.50

ACTION ITEMS

#46, Asphalt Program: Mr. Haase reported that the cost of the complete contract is significantly higher than predicted, and no petroleum cost adjustment factor was included in the contract. Because the cost of petroleum is so unpredictable, most companies did not want to bid

the contract or had to place a large contingency percentage just in case. Staff does not feel that fuel prices will go up by this percentage. Staff looked for other alternatives to reduce costs such as performing work in-house, rebidding the contract with cost adjustment factors, change order to existing contract and by accepting only part of AA Asphaltting's contract. After reviewing the alternatives, Mr. Haase would like the Board to approve Schedules A and D of AA Asphaltting's proposed contract. This would allow time to see if the District wants to do this on a yearly bid or put some cost factor in there for it. The District has worked with this company in the past and they have been a great company to work with. Accepting this part of the contract will get the District through this year and a good portion of next year.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** of the General Manager signing a contract with AA Asphaltting allowing for acceptance of Schedules A & D of the proposed contract with Schedule A costing \$150,173.10 and Schedule D costing \$31,526.55, bringing the total to \$181,699.65, including tax.

#57, 2007 Server Room Relocation Project: Morgan Dennis reported that bid notices were sent out to a total of thirteen contractors. The bids were due to the District by August 22, 2007, and the District only received one bid from Advance Technology Construction Corp in the amount of \$284,443.38, including tax. The preliminary estimate of \$170,000.00 for this project did not include the following when it was originally developed: a) conversion of existing server room to a new conference room and the conversion of the existing conference room to an office for the HR Manager; b) the inclusion of the second cooling unit in the new server room; c) the provision of the network equipment and appurtenances; and d) the provision of the ISOBase support system for the server racks. Mr. Dennis noted that Advance Technology Construction Corp has a lot of experience in doing jobs of this type. This bid does not include a price for furniture, etc., which is anticipated to be around \$10,000.00. Mr. Dennis stated the reason he is asking the Board to take action on this tonight is because it is long past the time needed to have this completed, and it will take an additional 120 days to complete once approved. Discussion was held on needing a new conference table for the new conference room. Don Feierabend commented that this bid was acceptable.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** award of contract to Advance Technology Construction Corp in the amount of \$284,443.38, including tax.

INFORMATION ITEMS

#3, 2007 Water and Sewer System Capital Facilities Charge Update – 6:30 p.m. Public Hearing: Commissioner Miller recessed the regular meeting and opened the public hearing for the purpose of hearing testimony from the public regarding the proposed updates to the Water and Sewer System Capital Facilities Charges (CFC's). The materials from Mr. Takaichi's presentation were available for review before the public (no members of the public

were present, however). Steve Pritchett related that the new rates would apply beginning January 1, 2008. Discussion was also held on implementation issues. The core feature of the new model will be that after the initial payment of CFC's at the time of connection, unpaid capacity would be rented from the District, rather than reconciled at the end of a monitoring period. Mr. Perry commented on past estimates for CFC's being conservative for developers, which tended to produce large bills to reconcile actual demand at the end of the monitoring period. Mr. Dennis asked the Board and staff to review the handout showing Estimated Water Leased Capacity Revenue. Discussion was held on applying a rent for unpaid CFC's to all customers other than single family homes beginning in 2009. The Board indicated its preference to review CFC's every other year. The Board would like further discussion on rates at the September 13, 2007, Board Meeting if Mr. Cebron is available.

Hearing no testimony, Commissioner Miller adjourned the public hearing and reconvened the regular meeting.

#1, Lakota & Redondo UV PLC Upgrade: Howard Moreland reported on the Lakota & Redondo UV Programmable Logic Controller (PLC) Upgrade. He stated that the 545 PLC processors have been moved to obsolete status by Siemens and that the factory no longer manufactures the equipment. This means that repairing them in the future will become more challenging and at some point they will not be able to be repaired. The question was raised about leasing equipment for this. UltraTech Systems had a third party company provide the PLC programming for the District's UV Systems because that is what the District specified at that time. UltraTech Systems cannot support the current Siemens PLC platform due to the differences in the programming functionality of the Siemens to that of the Allen Bradley PLC platform, which is their long standing design standard. This project is part of the larger Lakota PLC Upgrade that is currently in the CIP Budget. Staff is currently preparing the necessary documentation upgrades to the Lakota Process narratives to proceed with design for this phase of the project. This process would involve little involvement from District staff because UltraTech Systems would take care of everything. UltraTech Systems has been a very good company to work with and District staff has been very happy with their services. This also keeps all the responsibility with UltraTech Systems because it would be entirely their system. Mr. Moreland recommends approval to have UltraTech Systems provide Allen Bradley PLC equipment, programming and documentation to upgrade the Lakota and Redondo UV to their current design standard and to move this item to action.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Gibson, the Board unanimously **amended** the agenda to add **Action Item #58, Lakota & Redondo UV PLC Upgrade; Approval.**

Action Item #58, Lakota & Redondo UV PLC Upgrade; Approval: Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the General Manager to accept the bid from UltraTech Systems, Inc. for

conversion of the UV systems from Siemens to Allen Bradley Control Logix PLCs, not to exceed \$100,000.00.

#2, Employee Recognition: Commissioner Nowicki would like to see some type of employee recognition program organized for Lakehaven Utility District employees. He stated that without employees, nothing gets done. Two items he would like to see recognized are longevity and employees who work over and beyond what is expected of them. He mentioned the example that was handed out at a previous Board meeting of the City of Federal Way's Employee Recognition Program. He would like our Human Resources Department to initiate setting up an employee recognition program. Discussion was held on different ways to recognize employees (i.e., catalog of prizes and awards, money amounts at increments of years of employment). Commissioner Gibson mentioned that he would like all awards to come from the District itself in whatever legal capacity it could.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki commented on the water bottles that he brought to this evening's meeting with Skyway Water District's label on them. He got these water bottles at a community event as a give away item. He feels that our District should look into doing something similar at community events.

Commissioner Miller commented on talking to Gary Cline from the Washington Association of Sewer and Water Districts, and that Mr. Cline asked if Lakehaven Utility District would like to join the association again in the future. Commissioner Miller would like to discuss the possibility of joining the association again in the future to determine if it would be of value to the District.

STAFF REPORTS

General Counsel: Mr. Pritchett reported on the Unfair Labor Practice (ULP) hearing scheduled last Friday. He spoke with the Union and it was agreed that they would meet to and discuss the Commercial Driver's License physical exam issue rather than pursue the ULP. The Union withdrew the Unfair Labor Practice claim and made progress on resolving the issue during the meeting. Mr. Pritchett reported that there is a grievance arbitration scheduled for September 7, 2007 for overtime payment issues related to the windstorm. There is also a grievance arbitration scheduled for August 28, 2007 concerning the hiring process for the Operator Maintenance III Lead position.


Director of Finance/Information Systems: Mr. Dennis reported that the State Auditors arrived on site for the 2006 Financial Statements. The Auditor would be available for an entrance conference if one is desired. Commissioner Miller commented that he would like to participate in this.

Engineering/Water Manager: Mr. Bowman reported on the dirty water calls received in July. He said the water coming through the second supply line was found to be carrying a yellow tinge. The water still met all drinking water regulations, but staff reduced the amount of water it was taking from the Green River to help alleviate the complaints of discoloration. They still had some complaints in August, but it has fallen off now. If the District continues to get more complaints, staff will further reduce the amount of water it is taking from the second supply project. Mr. Bowman explained that the color appears to be the result of increased levels of iron and manganese. Since this water does not go through any iron and manganese filters, we can not readily remove it. Regarding Iron and Manganese removal, the District will be installing the filters for Well 21 located at 1st Avenue between 348th and 356th in the near future. This is the 7th of 8 filter projects and there will be one more project this next year. Mr. Bowman reported on the two new hires for the Engineering Tech II positions that are scheduled to start employment on September 4, 2007.

General Manager: Mr. Perry reported that the Federal Way Local Government Liaison Committee meeting is August 28th at 7:30 at South King Fire and Rescue headquarters. He asked if there were any agenda items anyone would like to add. He commented that he left the Board a brochure on an informational meeting on Pandemic being held on September 13th at City Hall. He also made mention about an article he read that noted how unprepared the US is for a Pandemic. Mr. Perry stated he will be bringing back the Pandemic Response Plan that has a few minor changes in it for the Board's review. He will give the Board a quick run down on what he will be discussing prior to the next Board meeting.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:40 p.m.



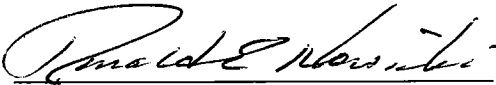
President Miller

Yea

Nay

Abstain

ATTEST:




Vice President Nowicki


Yea

Nay

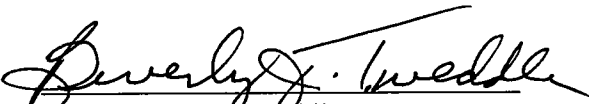
Abstain


Secretary Gibson

Yea Nay Abstain


Commissioner Stewart

Yea Nay Abstain


Commissioner Tweddle

Yea Nay Abstain