

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

REGULAR BUSINESS MEETING  
September 27, 2007

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on September 27, 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 AGENDA

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

CITIZENS COMMENTS

Paul Burton, phone number 206-560-9023, addressed the Board on the Developer Extension Agreement matter. He commented that the project is nearing an end and that several issues have come up. He explained that there were many people who were going to be "participating" parties under the agreement and that he is having problems collecting the balance owed from some of them. He stated that he would like to refund the portion of the monies paid from these "participating" parties and in turn have them considered "non-participating" parties. Mr. Pritchett explained to the Board that because Mr. Burton is having problems with "participating" property owners not paying him, he appears to want the District to collect the remaining balance from the "participating" property owners who aren't paying their full share. Mr. Pritchett expressed that this would put the District in a very difficult situation and the District shouldn't be involved with Mr. Burton's dispute with the property owners. Mr. Burton stated that what he is looking for is a way to change non-paying "participating" property owners to "non-participating" property owners under the Agreement. He further stated that he thought if they don't pay under the contract, that they are not participating in the project. Mr. Pritchett explained to Mr. Burton that the contract issues may not be so easily resolved. He further explained if the participant agrees to rescind the contract and acknowledges that they will pay a

latecomer, then that may change the agreement to allow the District to impose a latecomer for their share of the local facilities. Mr. Bowman and Mr. Pritchett wanted to clarify to the Board that any change in the status of a participant will not increase the District's share of the project costs on behalf of the non-participating property owner.

### CORRESPONDENCE

A letter to Lakehaven Utility District customer, Qianshun Zheng, was presented to the Board for signature. Ms. Zheng is a landlord who put a lock on a District meter to shut off water to her tenant's home. The District came in and cut the lock off on two different occurrences. Ms. Zheng then put a bigger lock on it the third time and the District had to hire a locksmith to come out and remove the lock. At this point, the District imposed a tampering charge. Mr. Pritchett reported that under the Washington State Landlord Tenant Act, shutting off a tenant's water is prohibited. At this point, the District has only sought to collect from Ms. Zheng for one incident of tampering, not three. Mr. Pritchett is proposing a letter from the Board in response to her letter of September 7, 2007 to the Board. After discussion, the Board agreed with the response and actions of Customer Service representatives, and is in favor of signing the letter to Ms. Zheng.

Discussion was held about a letter from King County that required an extension of the Sewage Disposal Agreement to 2054. Mr. Pritchett stated that there was an amendment extending the Agreement to 2036 that he did not know existed as there was no record of it in the District files. King County provided the District with a copy of the amendment and the Agreement will remain in effect until 2036. Mr. Pritchett reported that he could follow-up with letter to King County letting them know that the District does not want to extend the Agreement beyond 2036. The Board requested that he do so.

### CONSENT AGENDA

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

Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 9/24/07, 9/26/07, 9/27/07 and 9/28/07.

#### **Maintenance Fund No. 11-333-0510**

9/26/07 Voucher no. 10102, total amount of \$61,790.59;  
9/26/07 Voucher nos. 9943-9966, total amount of \$11,057.16;  
9/27/07 Voucher nos. 9967-10082, total amount of \$492,368.39.

#### **Construction Fund No. 11-333-3510**

9/28/07 Voucher nos. 10083-10101, total amount of \$79,896.13.

**PWTF Redondo Outfall Fund No. 11-333-6040**

None

<b><u>Payroll – Fund No. 11-333-0530</u></b>		<b><u>09/24/07</u></b>
Warrants:	\$	4,678.10
Direct Deposits:	\$	162,217.53
Benefit Warrants:	\$	49,816.45
		(voucher nos.9930-9942)
<u>Withholding/FICA</u>	\$	<u>68,241.87</u>
<b>Total Amount of:</b>	\$	<b>284,953.95</b>

ACTION ITEMS

**#64, 2007 Lakota WWTP Pre-UV Basin Modifications Project – Award Construction Contract:** Andy Wilt reported on this project that consists of saw-cutting, removing and recycling portions of the existing reinforced concrete top slab of the old chlorine contact chamber basin at the Lakota Wastewater Treatment Plant to create multiple openings for access into the chamber basin from above, supplying and installing an aluminum hand rail around several openings, and supplying and installing grating on the remaining openings. The District received three (3) bids, ranging from \$129,591.00 to \$223,871.17, including sales tax. The low bid is approximately 8.3% above the engineer's estimate. This bid was offered by Solid Rock Contractors, LLC of Cle Elum, Washington. Mr. Wilt further reported that good reference checks were received for the bidder.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the 2007 Lakota WWTP Pre-UV Basin Modification Project Construction Contract Award to Solid Rock Contractors, LLC, of Cle Elum, Washington in the amount of \$129,591.00, including tax, and authorized the General Manager to sign the contract.

**#65, 2008-2011 Water, Sewer and Street Light Rates; Resolution No. 2007-1094:** Mr. Pritchett reported on the completion of the District's 2007 Water and Sewer Rate Study and requested that the Board approve Resolution No. 2007-1094 Establishing Water, Sewer and Street Light Rates for 2008 – 2011. Mr. Dennis handed out a copy of rate comparisons for the Board and staff to review. Mr. Dennis reported that the new rates would be effective for November of 2007, and the billing statements would be transmitted December 31, 2007. The District will have a press release on the new rates. Discussion was held on average cost per consumer and classes of rates. Commissioner Nowicki commented on language to include in the press release so that District customers are aware of the year long study on Capital Facilities Charge and Rates. He also commented that he wants to include the comparison lists of other utility district rates in the press release.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **adopted** Resolution No. 2007-1094, Establishing Water, Sewer and Street Light Rates for 2008-2011.

#### INFORMATION ITEMS

**#1, Board Member Election for Metropolitan Water Pollution Abatement Advisory Committee (WMPAAC):** Mr. Perry reported that the District contracts with King County for treatment of wastewater for approximately 5% of the District sewer customers and is entitled to elect a Board member and an alternate to attend meetings of the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC). He reported to the Board that the meetings are held once per month and are typically scheduled on Wednesday mornings. Commissioner Nowicki volunteered to attend these meetings as the primary Board member and Commissioner Tweddle volunteered to attend as the alternate. Further discussion was held on the need for a resolution electing Commissioner Nowicki as the primary Board member and Commissioner Tweddle as the Alternate Board member to attend the MWPAAC meetings.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board unanimously **amended** the agenda to add **Action Item #66, Board Member Election for Metropolitan Pollution Abatement Advisory Committee (MWPAAC)**.

**Action Item #66, Board Member Election for Metropolitan Pollution Abatement Advisory Committee (MWPAAC):** Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** to pass a resolution that elects Commissioner Nowicki as the primary Board Member and Commissioner Tweddle as the alternate Board Member to represent the District at MWPAAC meetings.

#### COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Tweddle reported that the Legislative Committee met and it was determined that the District will not need to retain a lobbyist this year. Commissioner Tweddle stated that if there does become a bill that will affect the District, then District staff can go down to Olympia and watch the procedure and participate.

Commissioner Nowicki reported that the Accident Review Board will meet tomorrow at 2:00 regarding an automobile accident that injured a pedestrian. The Claim Review representatives are on top of the matter and will take care of this as expeditiously as can be done.

Commissioner Gibson reported that the Personnel Committee attended the Perkins Coie seminar on harassment and found it to be very informational.

## STAFF REPORTS

**General Counsel:** Mr. Pritchett reported that the new Fees and Charge resolution has been included in the back of Agenda book and will take affect January 1, 2008. He further reported on the arbitration hearing on the disciplinary matter and that it lasted for 2.5 hours. One of the witnesses was ill and it was agreed that the hearing would be continued telephonically on Monday, with the briefing schedule due the first week in November and a decision made in the later part of November. He reported that a brief is due in mid October on the hiring practices. Mr. Pritchett reported that he and Mr. Dennis met last Thursday with a group from the Chamber of Commerce of the Advance in Leadership Program. Mr. Pritchett volunteered Mr. Bowman to provide the group with any additional information they may need regarding water supply, sewer system, etc. Mr. Bowman commented that he feels this is a good program. Mr. Pritchett reported that he spoke with Phil Watkins and informed Mr. Watkins that the District would not be needing his services this year for lobbying.

**Director of Finance/Information Systems:** Mr. Dennis updated the Board on the server room project and informed them that he heard back from the testing lab and that it had been confirmed that the Administration Building does have asbestos, and this will require additional work to bring this project forward. Discussion was held on planning for the future and the possible need of a new building to accommodate administrative staff.

**Engineering/Water Manager:** Mr. Bowman commented on the customer complaint log and that flows have been dropped way back to help with the yellow water caused by iron and manganese being picked up from the Howard Hansen Dam and settlement flushes. He reported that Tacoma had sent out notices to customers letting them know what was causing the yellow water and that it was safe to drink. Mr. Bowman further commented that there was a problem with too much pressure in the Woodmont area. He reported that District staff thought the control valve on one of the tanks had a pressure reducing feature, which it did not, causing that zone to be over pressurized. There were some service lines that were broken as a result and staff has been repairing them. There are still some calls coming in for landscaping repairs, etc, and the District is taking care of these. Mr. Bowman reported that he is not aware of any in-home damage. Mr. Bowman is currently having written procedures drafted on this topic to avoid this happening in the future.

**General Manager:** Mr. Perry reported that he forwarded to the City of Federal Way a draft of an Agreement between the City of Federal Way and Lakehaven Utility District regarding space at City Hall. He also commented on a toxic hit to the District's Lakota Wastewater Treatment Plant and that the District is looking into the cause of it in hopes of finding out where it came from. He reported that the one in early September killed a majority of bacteria in the wastewater process and staff believes it may have been some sort of biocide. The District is working with School District on this to see if it might have come from the School District.

