

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

REGULAR BUSINESS MEETING  
November 8, 2007

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on November 8, 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
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel

It was noted that Morgan Dennis was not in attendance.

APPROVAL OF MINUTES

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board, with Commissioners Miller, Nowicki, Gibson and Stewart voting in the affirmative and Commissioner Tweddle abstaining, **adopted** the minutes of the meeting of October 25, 2007 as presented.

APPROVAL OF AGENDA

Commissioner Nowicki requested to add Action Item #75, for commendation of Melanie May and laboratory staff at Lakota Treatment Plant for their outstanding work and recertification. The Board requested to include an Executive Session to discuss personnel matters.

Upon motion of Nowicki, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the evening's agenda as presented with the addition of Action Item #75, Commendation of Melanie May and Laboratory Staff at Lakota Treatment Plant and an Executive Session to discuss personnel matters.

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 10/26/07 and 11/08/07.

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

10/26/07 Voucher no. 10446, total amount of \$63,528.83;

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

None

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

None

**Payroll – Fund No. 11-333-0530 11/08/07**

Warrants:	\$	453.44
Direct Deposits:	\$	199,031.19
Benefit Warrants: (voucher nos. 10447-10460)	\$	152,575.15
<u>Withholding/FICA</u>	<u>\$</u>	<u>84,043.38</u>
<b>Total Amount of:</b>	<b>\$</b>	<b>436,103.16</b>

2. Street Lighting System Proposal – 8<sup>th</sup> Ave SW and SW 313<sup>th</sup> Ct; Resolution No. 2007-1096.

ACTION ITEMS

**#72, Board Meeting Schedule:** Commissioner Miller reviewed the action item that summarized the tour of the Washington State Emergency Center at Camp Murray on November 14, 2007. The date for the second regular Board meeting in November falls on Thanksgiving Day and needs to be cancelled and a special meeting should be set. It was suggested that a special meeting be set for Tuesday, November 20<sup>th</sup> at 1:30 p.m. as this is a convenient meeting time for the Board and staff.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** scheduling a special meeting on November 14, 2007 from 10:00 a.m. to 1:00 p.m. to tour the Washington State Emergency Center at Camp Murray; cancelling the meeting of November 22, 2007; and setting a special meeting on November 20,

2007 at 1:30 p.m. If there is no business to present on the 20<sup>th</sup>, the Board will cancel the special meeting.

**#73, Well 17/17A/17B Detention Vault Purchase Authorization:** Mr. Bowman reported that iron and manganese filtration systems have been designed as part of the Oasis Water Treatment Plant Project for the Well 17/17A/17B Site, located on 320<sup>th</sup> St and 9<sup>th</sup> Ave SW. One of the components of the project is a detention vault to contain backwash water from the filters. Staff has advertised for bids for a pre-cast detention vault as shown in Exhibit A. Because of the November holidays and project schedule, Mr. Bowman would like to have pre-authorization for the General Manager to award a contract to the lowest responsible bidder after bids are received on November 20th, not to exceed \$85,000.00. The pre-bid estimate for the vault is estimated to be less than \$85,000.00, including tax and delivery.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the General Manager to award a contract to the lowest bidder for purchase of the Well 17/17A/17B detention vault in an amount not to exceed \$85,000.00.

**#74, Approval of Contract with City of Federal Way Re: Office Space:** Mr. Bowman handed out a copy of the proposed Interlocal Agreement between the City of Federal Way and Lakehaven Utility District for Office Space Occupancy to Board and Staff. He reported that the contract is relatively simple and it allows for the use of approximately 80 square feet of office space within their department and renews every 5 years. The cost is \$880.00 per year, which basically covers the ongoing maintenance and operating costs and computer support. Mr. Bowman stated that he believes this is a very reasonable lease agreement. Mr. Pritchett reported he has worked on this with Mr. Bowman and the City and feels the lease agreement is very reasonable. Mr. Pritchett explained that the \$880.00 isn't for rent and is intended for a cost based recovery. The District is supplying a printer, computer and phone; and the City will support the extra phone line and help with printer needs. It is the District's expectation to move a District staff member to the City by mid-December. Lakehaven Utility District will first be sending employee, Kathy Brown, to the City because she is very knowledgeable with the District's own processes and staff feels she will give good feedback on what can and cannot be done at the City. The overall plan is to rotate in an Engineer II at the beginning of February.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the signing of the Interlocal Agreement between the City of Federal Way and Lakehaven Utility District for Office Space Occupancy. Commissioner Miller requested that staff put out a press release or some form of notice to the public that a Lakehaven employee will be available at the City of Federal Way permit department.

**#75, Commendation of Melanie May, Barb McCoy and Pat Carlton.** Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **commended** Melanie May and laboratory staff at Lakota Treatment Plant for the

Washington Department of Ecology Quality Assurance Section's recertification of the Wastewater Treatment Plant Laboratory and its recognition that the District's lab serves as a model for environmental labs in the State of Washington. Congratulations from the Board were given to these staff members and it was further directed that a copy of this motion be placed in the personnel files of Melanie May, Barb McCoy and Pat Carlton.

#### INFORMATION ITEMS

**#1, Site Use Agreement – Extension Twin Lakes/Pump Station 10:** Mr. Pritchett reported that the Twin Lakes Country Club's lease of the District's Pump Station 10 site has expired. He commented that this is for the leased key pad area at the Twin Lakes driving range that is Lakehaven Utility District property. The Club would like to continue to lease the property; however, they did not notify the District prior to the end of the original 10-year term as required under the current lease. Lacking this notice, staff is asking if the Board is willing to waive the notice provision and extend original lease under its terms, or if the Board will require the execution of a new lease.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **amended** the agenda to add **Action Item #76, Site Use Agreement – Extension Twin Lakes/Pump Station 10; Approval.**

**Action Item #76, Site Use Agreement – Extension Twin Lakes/Pump Station 10; Approval:** Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board unanimously moved to **approve** waiving the notice provision and extend the original lease under its terms.

**#2, OASIS Electrical/Chemical and Lab Building Scope and Budget for HDR Engineering Design Services:** Mr. Osborne provided the Board information on the OASIS project. He reported that the District has future plans to increase the number of wells at the Water Shop location. Currently, the existing electrical system is not capable of supplying the additional power needed by the projected future loads. The proposed future plan includes designing a new building approximately 200 feet north of the existing maintenance facilities building. The new building will house the switchgear, Motor Control Center and variable frequency drives for all existing and three future well pumps. In addition, the new building will have a small laboratory, chlorine storage/feed system, and phosphate storage/feed system. There will also be provisions made for emergency power in the design that include a new emergency generator with an automatic transfer switch that would be located outdoors within a sound attenuated enclosure. The District has acquired the services of HDR Engineering to design the facilities and provide preconstruction services.

Currently, the remaining budget in the 2006-2007 On-call engineering services contract with HDR is \$107,252.00. The budget for the proposed OASIS Electrical/Chemical/Lab Building, design with preconstruction services, is \$306,352.00. This leaves a budget shortfall of

\$199,100.00. Discussion was held on expanding the contract or drafting a separate contract. Don Perry recommended that the Board approve the entire change under a new task to utilize the entire amount this year or, in the alternative, next year develop other projects that are non-OASIS with a new contract. Discussion was held on bid ranking and negotiating pricing. The Board asked that this matter be brought back for an action item at the next Board meeting.

**#3, 2008-2010 On-call Water/Wastewater Engineering Consultant Selection:** Mr. Pritchett introduced Pete Hupperten, Purchasing Coordinator, to report on this matter. Mr. Hupperten reported on the process used for soliciting Statements of Qualifications (SOQs) from Water/Wastewater Engineering Consulting and Land Surveying firms, and corresponding evaluation of the firm's qualifications to provide one of the following types of consulting services:

- **Category 1** – “General” On-call Water Engineering Design/Studies/ Landscape Architecture and Water Construction Management Services
- **Category 2** – “General” On-call Wastewater Engineering Design/Studies/ Landscape Architecture and Wastewater Construction Management Services
- **Category 3** - “General” On-call Independent Construction Management Services
- **Category 4** – On-call Land Surveying Services

for calendar years 2008 through 2010 has been completed.

A total of fourteen (14) firms submitted SOQs for evaluation. Of these fourteen firms, eleven (11) firms requested Category 1 evaluation, eleven (11) firms requested evaluation for Category 2, six (6) firms submitted for Category 3 evaluation, and six (6) firms submitted for Category 4 evaluation. Exhibit 1, RFP Requirements Evaluation, is a complete listing of Engineering firms submitting SOQs and associated category evaluation request(s).

Exhibit 2, SOQ Summary – Category 1, lists the water engineering services evaluation results. References were checked for the top three firms, HDR Engineering, RH2 Engineering, and Carollo Engineers. The combined total for the three firms, in rank order, are as follows:

- |                      |       |
|----------------------|-------|
| 1. HDR Engineering   | 79.08 |
| 2. RH2 Engineering   | 76.77 |
| 3. Carollo Engineers | 74.84 |

Exhibit 3, SOQ Summary – Category 2, lists the wastewater engineering services evaluation results. References were checked for the top three firms, Brown & Caldwell, Gray & Osborne, and Earth Tech. The combined total for the three firms, in rank order, are as follows:

1. Brown & Caldwell 84.25
2. Gray & Osborne 79.00
3. Earth Tech 76.55

Exhibit 4, SOQ Summary – Category 3, reports the independent construction management services evaluation results. References were checked for the top three firms, Harris & Associates, HDR Engineering, and RH2 Engineering. The combined total for the three firms, in rank order, are as follows:

1. Harris & Associates 81.58
2. RHE Engineering 74.43
3. HDR Engineering 74.08

Exhibit 5, SOQ Summary – Category 4, reports the land surveying services evaluation results. References were checked for the top two firms, Gray & Osborne and AHBL. The combined total for the two firms, in rank order, are as follows:

1. Gray & Osborne 76.00
2. AHBL 73.87

Exhibit 6, Proposal Evaluation Form, is used to obtain a short list of engineering firms from which references are checked and evaluated. The scores for Exhibits 2, 3, 4, and 5 include the reference evaluation scores.

The SOQ evaluation team consisted of the following:

- Don Perry, P.E.
- John Lee, P.E.
- Andy Wilt, P.E.
- Chris McCalib (Category 2 only)

Purchasing performed the reference checks for the “short listed” engineering/land survey firms. The requirement is to provide 5 references with 2 contact names per reference and identify the project. The District contacted every person and some responded back and some did not. The District is interested in the quality of work performed and the ability of the firm to provide scope of service in a timely fashion. These are things District staff is checking on with each engineering firm. Discussion was held on checks and balances in checking engineering consultants. Mr. Pritchett explained the current selection process and further discussion was held on other various selection processes. The Board approved of the ranking process for the top three firms. Information Items 4 and 5 are similar to Information 3, just different on-call groups.

**#4, 2008-2010 On-call Electrical Instrumentation Consultant Selection.** Board reviewed the agenda item on this matter.

**#5, 2008-2010 On-call Electrical Engineering Consultant Selection.** Board reviewed the agenda item on this matter.

Further discussion was held on the selection process of water/wastewater engineering consultants with the Board. The Board would like Information Items 3, 4 and 5 brought back before the Board at the next meeting as action items.

#### COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Gibson commented on the audit exit meeting with the State Auditor and that he thought it was a very good meeting. He said there were no issues other than having a policy on small hand tools for quarterly inventories. It was suggested that the current policy on small hand tools be changed to define "small hand tools". Mr. Bowman commented that he will look into definition on small hand tools from staff. Commissioner Gibson suggested that the District have clarification on this matter and determine what is most reasonable for an audit.

Commissioner Gibson passed out a handout on the Economic Development Committee Meeting held on November 1, 2007. He also attended a Government Affairs Committee meeting on November 6, 2007 and included a copy of the agenda in the handout. He and Don Perry attended a series of meetings with Meet the CEO through the Chamber of Commerce.

Commissioner Nowicki reported that they had a Board Operations meeting and that he can provide them with copies of the handouts from the meeting. Don Perry commented that he has an electronic version of these and will provide copies to the Board.

#### STAFF REPORTS

**General Counsel:** Mr. Pritchett commented about the upcoming diversity training and training dates. Mr. Pritchett updated the Board on union negotiations and passed out a hand out that reflects the current status on each contract article. This handout shows where we currently are on contract articles being discussed and what articles have been agreed upon. He reported that he expected to get a fair number of additional non-economic items agreed to at the next meeting on November 21<sup>st</sup>, and that as soon as the non-economic matters were resolved, they would be addressing the economic matters. He will keep the Board up to date on the union negotiations.

**Director of Finance/Information Systems:** Mr. Pritchett reported in Mr. Dennis's absence that things were moving along on the server room and that the new floor and ceiling have been installed and that the server racks were set up. They will be doing APU backups and

the electrical cut over this weekend. The following weekend they will complete the cut over on the server and then begin working on the conference room remodel.

**Engineering/Water Manager:** Mr. Bowman reported there is information on water quality calls, and that they have had calls on chlorine levels being up from Tacoma. He commented that the District will see a few more dirty water calls due to some flushing that will be happening. The water production for the month is lower than projected and he believes the District will finish the year around the 10.5 MDG mark. Mr. Bowman wanted to know if the Board was interested in another presentation of Capital Improvement Projects (CIP) on a 6 month cycle similar to Development Services. He mentioned that this information hasn't been included in their packets for a while. The Board commented that there are a number of items they would like to receive in their packets on a regular basis and that the CIP is a major one. Mr. Bowman commented that he would put together a consolidated list of the most active projects for the Board.

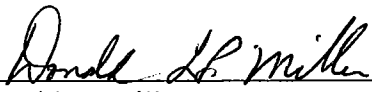
**General Manager:** Mr. Perry reported that he email and provided handouts to the Board on the Western Climate Change Initiative, and that it will significantly impact the District from an accounting view point. He commented that at the next Liaison meeting, the District may want to offer a tour of its facilities to newly elected officials that haven't toured them. He wanted to see what the Board thought about this before offering. The Board commented that it would be a good thing to line up when the weather improves. Mr. Perry also reported that he was in a meeting today with the Regional Water Supply Group and that they have offered to do an evaluation for desalination for the District. They will be approaching the District in the next week or so on this matter and will have some free cost information. He commented that he had a meeting with the Coalition for Clean Water Group and the State MS Permit Group and that they are looking for a significant increase in permit fees. Mr. Perry presented a copy of a Memorandum of Understanding with the IUOE on overtime pay that Mr. Pritchett and Mr. Bowman have worked on for a matter that went to arbitration. Because this modifies the labor agreement, he felt more comfortable having the Board President sign off on the Memorandum. Mr. Pritchett reported that the prior grievance that was set for arbitration went before the personnel committee for negotiation and a resolution was reached. They felt that in lieu of going to arbitration, this was an appropriate resolution. Commissioner Miller agreed and signed the Memorandum of Understanding as the Board President.

#### EXECUTIVE SESSION/CLOSED SESSION

At approximately 8:15 p.m., the regular meeting was recessed in order to conduct an Executive Session for the purpose of discussing personnel matters. It was stated that the Executive Session would last approximately 15 minutes. At approximately 8:31 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 8:32 p.m.


  
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President Miller

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Nay                  Abstain

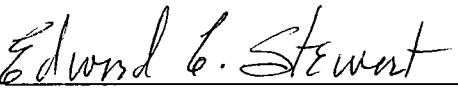
ATTEST:

  
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Vice President Nowicki

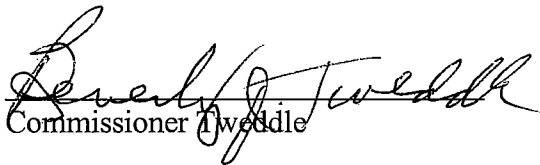
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Secretary Gibson

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Commissioner Stewart

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Yea                                      
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Commissioner Tweddle

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Yea                                      
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