

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
January 24, 2008

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on January 24, 2008 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

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

Charles Gibson	Vice President of the Board
Edward Stewart	Secretary of the Board
Beverly Tweddle	Commissioner
Donald Miller	Commissioner
Don Perry	General Manager
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Tweddle, the Board unanimously **excused** Commissioner Nowicki from the meeting.

It was noted that Morgan Dennis was not present.

APPROVAL OF MINUTES

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** the minutes of the meetings of January 10, 2008, and January 14, 2008, as presented.

APPROVAL OF AGENDA

Commission Gibson requested to add an Executive session to discuss personnel matters.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the evening's agenda with the addition of an Executive Session to discuss personnel matters.

CITIZEN COMMENTS

District customers, Jim Perry and Bud Tinnerman, introduced themselves to the Board and reported that they came to the meeting to discuss the sewer main installed in their neighborhood in the Northlake area on 38th Avenue South. Jim Perry commented on various estimates he received from the District to connect to the system at their house. He reported that

from July 2007 to January 2008 the Capital Facilities Charge (CFC) increased and that the stub installation fee estimate from Kevin Wiseman had doubled. The total difference in estimates is \$3,300.00 (\$2,600 in July to \$5,900 in January). Jim Perry created a spread sheet of his own calculations of cost and reviewed them with the Board and staff.

Mr. Bowman commented on the work needed for job inspections, and how the cost is lumped in and becomes the total project cost, which is then divided among the lots. Discussion was held on the various methodologies that can be used to calculate total project costs per lot. Bud Tinnerman commented on the original figure being based on 300 some lots. He reported that he received a bill from Kevin Wiseman today for \$10,000.00. He stated his original estimate for the total connection started out at \$12,000 to \$15,000 initially, and he now has a total bill for \$27,225.00.

Commissioner Gibson commented on differences in estimates and informed the citizens that staff can provide them with an accounting of what the District's cost is and how the District came up with their cost. Commission Gibson commented that District staff could sit down and go over figures with interested property owners. Commissioner Tweddle expressed her desire to be present and meet with property owners on this matter as well. Mr. Bowman collected contact information from Jim Perry and Bud Tinnerman so he could set up a meeting with these property owners.

Discussion was further held on interest for unpaid balances. Commissioner Gibson expressed that the Board's roll is to answer any questions from the citizens and address them. He stated that the Board welcomed their questions.

The citizens stated they would like to schedule a meeting with staff. Staff will contact them and set up a meeting time. John Bowman reported he would let Commissioner Tweddle know when the meeting is set in the event she can attend.

Citizen Paul Burton of Marine Hills addressed the Board and gave them an update on the final billing and deferral of the developer extension project account balance. Mr. Burton reported that this matter is close to being satisfied, but he had a question on the interest accruing on the portion to Lakehaven. He stated he is not asking for the interest on his \$140,000.00. He is asking that interest doesn't accrue on the portion to Lakehaven. Mr. Pritchett commented that the District wouldn't typically pay interest to a developer. Mr. Pritchett stated he will take a look at this and put it on the next board meeting agenda for discussion.

COORESPONENCE

Commissioner Gibson received an email exchange between Raman Lewich (sp?) and Jim Fleming about having a blood drive at Lakehaven. He asked if this was something that could be arranged and whether employees would have to do this on their own time (break or lunch). Mr. Pritchett commented that this would need to be done on the employee's own time, and that the

employees could adjust their break or lunch schedules to donate blood. Mr. Perry said he will let Jim Fleming know it is ok to schedule the blood drive and have him get back to Ms. Lewich on this. Discussion was held on communicating this with the Union representatives and having a dialog with them on this matter.

CONSENT AGENDA

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of **1/11/08, 1/16/08, 1/17/08, 1/23/08, 1/24/08 and 1/25/08.**

Maintenance Fund No. 11-333-0510

1/11/08 Voucher no. 11063-11076, total amount of \$1,798.20;
1/16/08 Voucher nos. 11077-11180, total amount of \$260,745.55;
1/24/08 Voucher nos. 11213-11237, total amount of \$4,071.48;
1/25/08 Voucher nos. 11238-11297, total amount of \$124,497.88.

Construction Fund No. 11-333-3510

1/17/08 Voucher nos. 11181-11198, total amount of \$69,841.53;
1/25/08 Voucher nos. 11298-11308, total amount of \$96,629.82.

PWTF Redondo Outfall Fund No. 11-333-6040

None

Payroll – Fund No. 11-333-0530 01/23/07

Warrants:	\$ 1,177.47
Direct Deposits:	\$178,969.78
Benefit Warrants: (voucher nos. 11199-11212)	\$ 56,295.16
<u>Withholding/FICA</u>	<u>\$ 76,577.21</u>
Total Amount of:	\$313,019.62

2. Pacific Highway S. Water Main Relocation – Phase III – Pay Request #4.

ACTION ITEMS

#7, Rates – SIC Category 5: Mr. Pritchett reported that the District has one commercial customer connected to the sewer system in the SIC (Standard Industrial Classification) #5 category for sewer rates. This designation is based on waste stream loading data gathered approximately 15 years ago. SIC #5, unlike the other SIC categories, contains a strength loading charge for BOD and Suspended Solids. Under the new rate structure, the rates for the

classification #5 have increased considerably. The District's rate consultant, Mr. Ed Cebron, believes it would be appropriate to review the waste strength at this time and evaluate the imposition of the loading charge during the period of the review. Staff met with this customer to discuss the 50% increase in their bill. Their loading determination to put them in this classification was made in 1993. The customer's business operation has significantly changed over the years. This customer used to use whole fish and now only deals with fillets. Mr. Perry commented that any customer has the right to come to the District and asked to review their category code. Mr. Perry believes they should be on a monthly monitoring schedule and billed specific to what they are using.

Mr. Pritchett asked the Board if the District should waive or suspend the charges until they have accurate information. Commissioner Tweddle inquired about the SIC codes development and changes over the years. Mr. Perry commented that pretreatment staff will be scheduling a meeting with customers in February on monitoring the wastewater strength of the customer that it may have an impact on the billing issues. He further commented that District staff is developing a more formal pretreatment program and that there have been significant issues in staffing. Mr. Pritchett is proposing to waive or suspend the charges for now. Commissioner Miller would like to check on this in the next month and get further data.

Mr. Pritchett mentioned putting a notice in the next news letter to the customers reminding them that they have this opportunity to be monitoring their discharges and that there is a penalty for fraudulent data.

The Board agreed to suspend additional loading component and monitoring to this customer and to table this action item until the District can collect the needed data.

INFORMATION ITEMS

#1, Water Inventory: Mr. Yoder reported that the Water Supply Inventory includes the regular supplies used by staff to maintain and repair the Water Distribution System. Supplies such as hydrants, valves, pipe, brass fittings, etc., are purchased from local vendors based on a competitive bid that is performed once per year. Staff has completed the bid process for the 2008 budget; with a clause through mutual agreement to extend the contract each year for two additional years. The Classification Sheet shows price comparisons for each of the classifications with the lowest responsive price bolded. H.D. Fowler did not provide the proper bid bond and, therefore, was excluded. Classification No. 13 was not bid on properly by any of the suppliers and was also excluded from this award. Classification No. 13 is for HDPE pipe and fittings, which is a very minimal part of the bid and will not impact operations. It is staff's recommendation to accept the lowest responsive bidder for each of the classifications for all three years, accepting each additional year on an annual basis to approve.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Miller, the Board unanimously **amended** the agenda to add **Action Item #8, Water Inventory; Approval.**

Action Item #8, Water Inventory; Approval: Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Miller, the Board unanimously **approved** to accept the lowest responsive bidder for each of the classifications, not to exceed \$600,000.00 annually, including tax, for a three year contract, and to delete HD Fowler from the bidding list for failure to use the required bid bond form for this project.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Stewart attended the committee meeting for EMAC and safety committees and heard good reports. He commented on the committee assignments and expressed his interest in being on the City Liaison Committee. After further discussion with the Board, it was noted that there is an alternate member listed on this committee with the intent that attendance at these meetings can be rotated among the Board members.

Commissioner Miller attended the City's coordinated meeting and heard good reports. He commented that he thinks Ray Gross is doing a fine job there. Discussion was held on the Code Red Project and how all agencies are trying to work together on this project. Mr. Perry reported that the State is encouraging all those on the web EOC to have drop down screens to be universal with everyone involved throughout the state. Mr. Perry thinks this is a great program and is moving along quite well. Commissioner Miller felt everyone's involvement was very positive.

Commissioner Gibson expressed a desire to look at the referral and selection process in hiring practices at the District. Commissioner Gibson reported that he would like to see the District look at qualified candidates internally for open positions before going to the outside. Commissioner Tweddle supports this approach to hiring as well. Mr. Pritchett discussed the current Union contract and how this affects the hiring process. Commissioner Gibson further specified how it would be based on the most qualified and not seniority. Further discussion was held on hiring practices and levels of certification. Mr. Bowman commented that the District currently has many employees with years of knowledge, but not the licensing and certification levels needed to promote.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that Mr. Dennis and he attended a meeting with other water and sewer districts on the potential loss status with the King County Investment Pool. Ken Guy, King County Director of Finance and Business, came to speak with everyone present at the meeting and to answer questions. Mr. Pritchett stated that he felt King County Investment Pool was honest and upfront on the matter.

Mr. Pritchett reported that the Northbeach/Woodmont easements have gone out to property owners for their review and signatures.

Mr. Pritchett handed out the conference schedules for 2008 to staff and Board members. He asked them to look them over and to let Mr. Hupperten know what conferences they were interested in attending so they could get processed.

Engineering/Water Manager: John Bowman reported on the status of the new job openings for the Engineering Tech II and Locator positions.

General Manager: Mr. Perry reported that he had a meeting today on how to deal with intruders and personal safety. He stated that the District will be having more trainings of this nature in the future. He also reported that the State has made a determination that all SEPA will have to take into consideration carbon levels that a project will generate in the construction phase and the magnitude of the green house gases generated by the finished project and what steps have been taken to mitigate/minimize the greenhouse gases from the project. The State will be issuing rules in the next 30 days to let all agencies know how to do this. The District may need outside consultants to overview these requirements and how to meet them. He reported that Dan Kuipers, a long standing District employee, put in his paperwork to retire the end of January due to a disability. Mr. Perry commented that he will be greatly missed and that the District will be very sorry to see him go. Mr. Pritchett stated that the District would like to prepare and present a Resolution of Commendation for Mr. Kuipers at the next Board meeting.

EXECUTIVE SESSION/CLOSED SESSION

At approximately 8:36 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 10 minutes and no action would be taken. At approximately 8:46 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 8:47 p.m.

ABSENT
President Nowicki

Yea

Nay

Abstain

ATTEST:

Chad West
Vice President Gibson

✓
Yea Nay Abstain

Edward B. Stewart
Secretary Stewart

 Yea ✓ Nay Abstain

Beverly J. Tweddle
Commissioner Tweddle

✓
Yea Nay Abstain

Donald L. Miller
Commissioner Miller

✓
Yea Nay Abstain