

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
February 14, 2008

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on February 14, 2008 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

President Nowicki 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:

Ronald Nowicki	President of the Board
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
Morgan Dennis	Director of Finance/Information System

APPROVAL OF MINUTES

Prior to considering the minutes of the January 24, 2008 Board meeting, a discussion ensued relative to different Board committee assignments. Commissioner Stewart expressed his concerns with the assignments that were given. Subsequent to the discussion, the Board considered the minutes. Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Miller, the Board, with Commissioners Tweddle, Miller and Gibson voting in the affirmative, Commissioner Stewart voting in the negative and Commissioner Nowicki abstaining, **adopted** the minutes of the meeting of January 24, 2008, as amended.

APPROVAL OF AGENDA

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board, with Commissioners Gibson, Tweddle, Miller and Nowicki voting in the affirmative and Commissioner Stewart voting in the negative, **approved** the evening's agenda as amended below:

1. Add Information Item #6; Review Policy and Procedures Manual
2. Add Information Item #7, Review of Hiring Policies

CORRESPONDENCE

Commissioner Miller reminded Board members they had to complete the appropriate forms for the Public Disclosure Commission, which had been included in their agenda packets. The deadline for submittal is April 15, 2008.

CONSENT AGENDA

Prior to considering the Consent Items, there was a discussion regarding several vouchers. Subsequent to the discussion, the Board moved forward.

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 **1/28/08, 1/29/08, 1/30/08, 1/31/08, 2/6/08, 2/7/08, 2/8/08, 2/13/08 and 2/14/08.**

Maintenance Fund No. 11-333-0510

1/28/08 Voucher no. 11368, total amount of \$53,198.36
1/29/08 Voucher no. 11309, total amount of \$1,605.72
1/30/08 Voucher nos. 11310-11360, total amount of \$267,573.11
2/6/08 Voucher nos. 11369-11453, total amount of \$298,276.04
2/13/08 Voucher nos. 11490-11551, total amount of \$94,136.17
2/14/08 Voucher nos. 11561, total amount of \$4,000.00

Construction Fund No. 11-333-3510

1/31/08 Voucher nos. 11361-11367, total amount of \$4,107.72
2/7/08 Voucher nos. 11454-11474, total amount of \$334,461.44
2/14/08 Voucher nos. 11552-11560, total amount of \$23,780.72

Payroll – Fund No. 11-333-0530 02/08/08

Warrants:	\$.00
Direct Deposits:	\$199,699.47
Benefit Warrants: (Voucher nos. 11475-11489)	\$ 145,418.85
<u>Withholding/FICA</u>	<u>\$ 87,177.24</u>
Total Amount of:	\$432,295.56

ACTION ITEMS

Commissioner Nowicki suggested the Board address Action Item #4 first and it was the consensus of the Board to do so.

#4, Resolution of Commendation - Dan Kuipers: Commissioner Nowicki first read Resolution #2008-1103, recognizing Dan Kuipers for his years of dedicated service to the District, after which the Board considered its adoption. Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Miller, the Board unanimously **adopted** Resolution #2008-1103, commending Dan Kuipers for his years of dedicated service to Lakehaven Utility District. Mr. Kuipers next addressed the Board, thanking them and staff for supporting him over the years. The Board all wished Mr. Kuipers good luck with his future endeavors.

#1, Service Renews Contract: Gene Yoder, the Field Operations Manager, began by explaining the reason for this yearly project. He indicated that based on the number of water services that need to be renewed within the City of Federal Way; staff estimated a budget of \$510,000 for this project. This project was sent out to bid and the bid opening is scheduled for February 19, 2008. Due to the timeliness of this project, Mr. Yoder stated staff was hoping to get a preapproval to award the bid right after the bid opening. A discussion followed relative to the best way to proceed. Subsequent to the discussion, it was the consensus of the Board to address the item as stated below.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Gibson, the Board unanimously **authorized** the General Manager to sign the contract for the 2008 Water Service Renews project to the low responsible bidder as long as the contract does not exceed the estimated cost of \$510,000. If the lowest responsible bid comes in higher than \$510,000, the approval will be presented to the Board for consideration at the next Board meeting.

#2, South 348th Street – Construction Bids: John Lee, one of the District's Project Engineers, presented this item. He provided a summary of the overall project as well as the reason for this item. A discussion followed and clarification was provided, as needed.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the low bid by Westwater Construction Company in the amount of \$150,499.80, including tax, for the water and sewer work for the S. 348th HOV Lave project, and **authorized** staff to notify the City of Federal Way of the acceptance to proceed.

#3, 2008 Board/General Manager, General Counsel Conference Travel Authorization: Board members, the General Manager and General Counsel were provided a copy of the 2008 Conference Listing and information to review and determine which events they wished to attend. The purpose of this item is for the Board, General Manager and General Counsel to select the conferences as well as to approve travel for same. A discussion followed and Commissioner Nowicki suggested approving travel for wherever each person wishes to go as long as they used a \$5,000 limit for travel for the year.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** travel for Board members, the General Manager and General Counsel to attend the conference(s) of their choice and use a guideline limit of \$5,000 per year, per traveler.

#5: Lakota Clarifier Re-Coat Bid Results: Chris McCalib, the District's Assistant Wastewater Operations Supervisor, presented this item. He began by reviewing the timeline of the project; the firms who bid the project have been evaluated by staff and the apparent low bid was \$272,000. He went on to add that the low bidder had received favorable references and staff was recommending the Board consider the low bidder.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Stewart, the Board unanimously **awarded** the contract for the 2008 Lakota Wastewater Treatment Plant Clarifier Re-Coating Project to Purcell P & C, LLC of Tukwila, Washington in the bid amount of \$272,949.14, including tax.

#6: Schedule Special Meeting to discuss OASIS: During the discussion of this item, it was noted that several other items could be placed on this agenda as well, in case staff was prepared to address them at that time.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** scheduling a special meeting to be held on Thursday, February 21, 2008 at 1:00 p.m. at 31531 First Avenue South. In addition to discussing the OASIS Program, the following items will be placed on that agenda: 1) Vouchers, 2) Water Service Renew Contract Approval (if in excess of \$510,000, 3) Marine Hills Sewer Developer Extension (pending completion of outstanding items).

INFORMATION ITEMS

Commissioner Nowicki suggested addressing Information Item #4 next as Mr. Burton was in the audience to address the Board relative to this item. It was the consensus of the Board to address the item at this time.

#4: Marine Hills Sewer Extension: Mr. Pritchett presented this item and provided a history of the project. Mr. Burton, the developer for the project, has requested interest on the contribution to the project costs the District has agreed to make on behalf of non-participation property owners. During the discussion, John Bowman, the District's Engineering/Water Manager, noted some items that had not been completed for the project. Mr. Pritchett stated the contract provides that the District's obligation to pay occurs at the time of project acceptance. Apparently some items are yet to be resolved that are conditions of acceptance; therefore the District's obligation to pay has not yet been triggered. He went on to discuss some things for the Board to consider relative to the issue. A date of when the project could be considered as complete would have to be calculated before anything can go forward. The discussion went on

as to the best way to proceed that would be in the best interest of both the District and the developer. Subsequent to the discussion, it was the consensus of the Board to bring this item back for action as soon as it is appropriate. The Board thanked Mr. Burton for coming to them.

#1, Wastewater Items to Surplus: Mr. McCalib stated that Wastewater Operations had several items of equipment that have been replaced or are no longer needed. A listing of those items was attached to this agenda bill for the Board's review. He noted staff wished to forward the items to the General Services Administration, per the state's contract, for auctioning as surplus equipment. Subsequent to the discussion, it was the consensus of the Board to consider this item at this meeting.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** amending the agenda to add **Action Item #7, Wastewater Items Surplus List – Approval**.

Action Item #7, Wastewater Items Surplus List – Approval: Upon motion of Commissioner Miller, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the surplus of certain items from the Lakota Wastewater Treatment Plant as listed with the agenda item. It was noted that a resolution including these items will be presented to the Board for adoption at the next regular meeting.

Information Item #2, Well #19 MCC Replacement Mr. McCalib addressed the Board with this item and provided background information. The issue at hand is staff is unable to obtain the necessary field modifications made to the Motor Control Center (MCC) due to an error, which made the two new sections of the generator incompatible with the existing sections. He explained an option for the Board to consider, which would ensure successful operation of the new generator. A discussion of this issue followed to determine the best way to proceed that would be in the best interest of the District. During the discussion, Mr. Pritchett expressed some concerns with the contract that the vendor provided. Subsequent to the discussion, it was the consensus of the Board to consider the item at the meeting.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Miller, the Board unanimously **approved** amending the agenda to add **Action Item #8, Well #19 MCC Replacement – Contract Approval**.

Action Item #8, Well #19 MCC Replacement – Contract Approval: Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the District entering into a contract with Siemens Energy & Automation, Inc., as a sole source provider, for the purchase of four Siemens Motor Control Center Sections for Well #19 and #19A to replace existing motor control center sections; subject to an agreeable contract with the vendor.

Information Item #3, Rules of Procedure/Code of Ethics: Commissioner Nowicki made a suggestion, to which the remainder of the Board agreed, to address this item at the February 28th Board meeting.

Information Item #5, Review Policy and Procedures Manual: Commissioner Nowicki stated he had reviewed the "General Policies and Procedures" manual and noted that there were very few recent dates of approval for the policies contained in the manual. He stated it was his wish to have an agreement of the Board to make it a priority to review and update these policies, along with safety polices and the employee handbook. He added he also wanted to have Board members review the policies and procedures and think about this as an item for consideration at a future meeting. During the discussion, it was noted that this would involve the Policy Review Committee. A discussion followed as to the need for review of the various policies and procedures; each Board member was able to provide his/her opinion on the issue. Mr. Pritchett offered to schedule a meeting of the Policy Review Committee in order to determine a plan of action. He noted that he has been reviewing and thinning down the personnel policies and added that the very core personnel polices had been reviewed and adopted very recently. Subsequent to the discussion, Mr. Pritchett stated he would be contacting the Policy Review Committee members to schedule a meeting.

Information Item #6; Review of Hiring Policies: Commissioner Nowicki stated there had been some discussion of this issue lately and he wished to bring the item to the Board. His intent was to adopt a Board policy stating that prior to a candidate being extended a job offer, the offer will be reviewed by the supervisor of the person extending the offer. A discussion ensued as to the purpose for this policy and how the policy would work. During the discussion, Board members offered their opinions on the subject. It was noted that this could also be discussed in the Policy Review Committee meeting.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported he had recently attended a Safety Meeting. In addition, as chairperson of the Finance Committee, he had discussed some of the vouchers with Mr. Dennis that were before the Board for consideration at this meeting. He stated he had also requested a Finance Committee meeting as well. There are Purchasing and IT elements to this committee and he would like to know more about these areas.

Commissioner Tweddle stated she had recently attended the Chamber luncheon as well as the Economic Development and Government Affairs meetings.

Commissioner Nowicki reported he had recently attended a Board Operations Committee Meeting. At that point, a discussion ensued relative to the various committee assignments and the reasoning for them.

Commissioner Gibson stated he had attended the City of Federal Way's review of City management activities and added he felt it was very informative. He then provided a review of the items that were discussed at that meeting. He added he had also attended the Government Affairs and Economic Development committee meetings. Copies of the documents that were provided will be made and provided to Board members. He then reported that the City has been holding meetings with major industries in the area; the last meeting was with Wild Waves. Other meetings had been scheduled with Totem Freight and St. Francis Hospital. He felt it was important for commissioners to attend these meetings to emphasize the fact that Lakehaven Utility District is a part of the community.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that Carrie Peters, the District's Human Resources Manager, had returned to work and was resuming her full schedule. He then thanked Mr. Dennis and Judy Taylor, the District's Accounting Manager, who had ensured that Payroll was completed during Ms. Peters' absence. Mr. Dennis noted staff had developed a new program for compiling the Board agenda and added this was the first agenda created under the new program. He pointed out that each page in the entire agenda was numbered consecutively, which would make it easier to track items, etc. He added that the new procedure was a big improvement by being more automated, including the way staff interacts with the new program. Mr. Pritchett continued by reporting he facilitated a make-up session of the Diversity Training that was held several months ago. It was necessary to conduct the session as eight employees were unable to attend the first session. Even with the second session, one employee was unable to attend; staff will try to enroll the employee in a similar training in Pierce County, depending on availability.

Director of Finance/Information Systems: Mr. Dennis reported he had received a notice from the District's bond underwriter that rates are currently favorable to the District if the Board was to consider refinancing the outstanding wastewater bonds. He stated the original plan was to call them early this fall; however, he suggested now could be a good time to move forward with it, depending on the needs of the District.

Engineering/Water Manager: Mr. Bowman reported he had received information that the City of Auburn was declaring a six month building moratorium near the District's South 305th Street tanks, due to drainage issues. There is a planned development of approximately 200 homes in that area that may be impacted. He added he will be following up on this issue. He added there have been a number of questions asked regarding the bid package for the Redondo outfall project; that bid opening date will be moved a few weeks out to address questions. He then reported he had attended a meeting with staff from the City of Federal Way regarding recruiting volunteers to get involved in emergency training with the intent of helping as runners, etc., in the event of an emergency. He added there had been a good turnout.

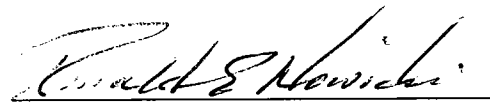
General Manager: Mr. Perry reported that the Lakota Wastewater Treatment Plant's biological capacity was at 87% in November and December and 90% of capacity in January. He also stated that the plant is handling the flow adequately. However, based on Lakota's NPDES permit, the District must have an engineering report developed to upgrade the plant to ensure it operates at less than 85% of its rated capacity. Staff will be contacting Brown and Caldwell for a scope of services to address the required engineering report needed to submit to the Washington State Department of Ecology. He then distributed a request from Rich Fujimoto, one of the District's wastewater treatment plant operators. Mr. Fujimoto is a member of a local disaster relief team that was called to serve during the recent storm event in Lewis County. He used his vacation time and was requesting that the Board consider reimbursing him for the vacation time he used in order to help out during this time. A discussion followed as to the best way to proceed; subsequent to the discussion, it was the consensus of the Board to grant Mr. Fujimoto's request with the stipulation that he request the time off prior to attending any future events.

EXECUTIVE SESSION/CLOSED SESSION

At approximately 8:46 p.m., the regular meeting was recessed in order to conduct a closed session for the purpose of providing the Board an update on union negotiations. It was stated that the closed session would last approximately ten minutes. At approximately 8:55 p.m., the closed 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 8:55 p.m.



President Nowicki

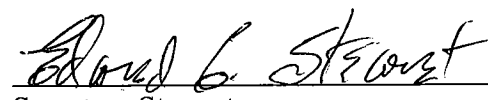
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yea	Nay	Abstain

ATTEST:



Vice President Gibson

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yea	Nay	Abstain



Secretary Stewart

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yea	Nay	Abstain

Beverly Tweddle
Commissioner Tweddle

✓
Yea

Nay

Abstain

Donald L. Miller
Commissioner Miller

✓
Yea

Nay

Abstain