

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
April 24, 2008

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on April 24, 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 Miller 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

Mr. Dennis was out of town and unable to attend this evening's meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Gibson, the Board unanimously **adopted** the minutes of the meeting of March 27, 2008 as presented. Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board, with Commissioners Nowicki, Gibson, Stewart and Tweddle voting in the affirmative and Commissioner Miller abstaining, **adopted** the minutes the meeting of April 10, 2008 as presented.

APPROVAL OF AGENDA

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

CORRESPONDENCE

Commissioner Nowicki mentioned the customer appreciation luncheon invitation through South King County Multi-Services, and thought it would be good to have somebody attend the luncheon on May 1st 11:30 to 1:30. Commissioner Tweddle said she would attend the luncheon and RSVP for this event.

CONSENT AGENDA

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

Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 4/16/08, 4/17/08 4/23/08 and 4/24/08.

Maintenance Fund No. 11-333-0510

4/16/08 Voucher nos. 12231-12300, total amount of \$163,751.07;
4/23/08 Voucher nos. 12308-12366, total amount of \$299,599.17.

Construction Fund No. 11-333-3510

4/17/08 Voucher nos. 12301-12307, total amount of \$74,442.73;
4/24/08 Voucher nos. 12367-12368, total amount of \$ 3,703.53.

PWTF Redondo Outfall Fund No. 11-333-6040

None

Payroll – Fund No. 11-333-0530 04/23/08

Warrants:	\$	3,192.58
Direct Deposits:	\$	177,356.44
Benefit Warrants:	\$	56,935.27 (voucher nos. 12369-12382)
Withholding/FICA	\$	77,385.28
Total Amount of:	\$	314,869.57

ACTION ITEMS

#1, Well 17 Generator Installation: Mr. Howard Moreland handed out the Bid Opening Report to the Board and staff. Mr. Moreland reported the Well #17 Generator Installation involves installation of a new 1200 Amp Switchboard and Main Breaker section into the Motor Control Center and the associated wiring. He is currently trying to get references from the contractors to check out. He has been experiencing problems in getting consistent references from the lowest bidder, Northwest Electric of Auburn, Washington. One of the references for Northwest Electric wasn't at all positive regarding this firm. He will be doing reference checks on the second lowest bidder as well. According to Mr. Pete Hupperten, the business licenses and bonds all check out fine. The Board asked that Mr. Moreland complete the reference checks and then come back with a recommendation. Discussion was held on the need to move this project along and whether the Board could approve the bid award to the lowest bidder pending the reference check. Mr. Pritchett discussed the statutory approval process. Commissioner Nowicki motioned to table this action item until references are completed.

#2, Interlocal Agreement with City of Algona – Sewer Service Area: Mr. John Lee reported he was presenting to the Board an Interlocal Agreement between the City of Algona and Lakehaven Utility District to adjust the Sewer Service Area between the District and the City of Algona to allow sewage to flow from the subject area into the District. Mr. Lee attached a map showing the area referred to on page 65 of the agenda. Commissioner Nowicki had questions about the boundaries and clarification that the Interlocal Agreement was moving the sewer service boundary only and not the water service. Mr. Lee commented that the City of Algona is in favor of this agreement. Mr. Lee recommended that the Board approve and execute the Interlocal Agreement to modify the sewer service area between the District and the City of Algona.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the Interlocal Agreement with the City of Algona to modify the sewer service area, with correction of the word “Extates” to “Estates” on Exhibit A.

#3, Board Meeting Schedule: Mr. Perry commented that at the last board meeting he expressed wanting to have a special meeting set to discuss transition planning and future staff needs for operations. Mr. Perry suggested that the board also include as an agenda item for this meeting the Well 17 Generator Installation bid award.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** a Special Board Meeting on May 6 at 1:00 p.m.

INFORMATION ITEMS

#1, Developer Extension Project Status Report: Mr. Wes Hill presented the biannual summary of the Developer Extension Projects Status Report following the first and third quarters. Commissioner Miller asked about timelines on developer extension projects reporting period graph. Mr. Hill explained there are many set timelines for these. Discussion was held on the Languishing Developer Extension Projects List – Status exhibit and how the list has been substantially reduced. The Board and staff reviewed the Developer Extension Projects alphabetical listings and the “accepted”, “warranty”, “terminated” & “closed out” exhibits. Discussion was held on the District’s employee staffed at the City of Federal Way to assist with permits. Mr. Hill gave special thanks to Morgan Dennis and Don Feierabend for the set up at the City of Federal Way for District staff and thanked them for all their efforts in this. Mr. Hill also gave special thanks to all the Development Engineering staff in assisting in this as well. Mr. Hill mentioned Development Engineering’s newest staff member, Bill Nelson, and that he will be a very valuable employee to their division.

#2, Instrumentation/Electrical Design On-Call Consultant Contract: Mr. Chris McCalib reported on Instrumentation/Electrical Design On-call Consultant Contract. He reported to the Board that staff went back and refined the capital improvement list throughout the department. The contract before the Board tonight is for 2008, 2009 and 2010. The competitive

process was conducted and Systems Interface Inc. was identified as the top most qualified firm. Reference and background checks were completed and favorable feedback was given for Systems Interface Inc. Page 133 of the agenda describes a list of potential tasks that may be assigned during the 2008-2010 on-call time period. Commissioner Nowicki had questions about the labor cost and the \$500,000.00 materials cost break down on the list of potential tasks. Discussion was also held on the total estimated consulting services amount and discrepancy in the totals. The Board recommended that staff correct the numbers and bring it back before the Board. The Board also mentioned that the request for the proposal on the summary statement should be changed to the same title, Instrumentation/Electrical Design On-call Consultant Contract.

#3, Lakota Odorous Air Ducting Replacement Project: Mr. Chris McCalib reported on the Lakota Odorous Air Ducting Replacement Project. The project went out for bid and there were only two bids received. Reference checks were made for both firms and they included projects of significant magnitude, positive references, and glowing remarks. District staff identified the low bid applicant as Design Air Ltd of Kent, Washington, and determined that Design Air Ltd is qualified to perform the work. Of note was pricing for the qualified low bid was 24% percent over the engineer's estimate. One contributing factor to this was that specifications from engineering were made 5 to 6 months before this was put out to bid. Another contributing factor was the consultant did not put lineal footage in the design with the intent to have the contractor walk through and look at the design. Mr. McCalib commented that if lineal footage was put in the design, the District would be responsible for overage on materials, and because of this, the engineer didn't have a very accurate estimate. Further discussion was held on the bid amount. Mr. McCalib reported that the overall odor control will be contained within the plant. Staff recommends that the Board consider approving the low bid and award the contract to Design Air Ltd.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **amended** the agenda to add **Action Item #4, Lakota Odorous Air Ducting Replacement Project; Approval.**

Action Item #4, Lakota Odorous Air Ducting Replacement Project; Approval: Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the low bid and awarded the contract to Design Air of Kent, Washington, in the amount of \$226,512.00, including sales tax.

Further discussion was held on upgrades to the treatment plant.

#4, Washington Association of Sewer and Water Districts (WASWD) Membership: Commissioner Nowicki commented on the Section 4 meeting that was held at Lakehaven, allowing Board members to observe what the organization was currently doing. It was noted that the organization has a lot of other local utilities who are members. Discussion was held on the WASWD, including its effectiveness in lobbying, as well as the cost per year to join the

organization. Commissioner Nowicki asked that the Board consider this organization and whether they think it would be worthwhile joining again. The Board discussed that this organization is one of the largest organizations in the state and that it is part of the EMAC. Don Perry mentioned if the District were to join the WASWD, they would have membership access to mutual aid with other agencies. Further discussions were held on the pros and cons of membership to WASWD and past membership to this association.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Gibson reported that there is a liaison meeting on April 29, 2008, at 7:30 a.m. at the Federal Way School District Administrative Office. Commissioner Tweddle stated she would like to attend the meeting. Commissioner Nowicki and Commissioner Tweddle will both be attending the meeting.

Commissioner Miller reported that he attended a safety meeting and there were reports made to the City of Auburn about the dog attack situation causing damage to one of the District's vehicles. The District will have to bear the expense to fix this vehicle. Fortunately, nobody was hurt in the attack.

Commissioner Gibson asked about Recordable Incident Rate (RIR) and what the cost of this is for the District. Mr. Perry stated he will check into this and get back to the Board with this information.

STAFF REPORTS

General Counsel: Mr. Pritchett reported on the arbitration hearing held on Friday, April 18th, on the step 4 grievance about promotional pay, and thought the hearing went very well. He further reported that the District and Union met today and had a briefing on what happened with the Union contract vote. They will be meeting again next Friday, May 2nd. In the meantime, he and Mr. Bowman will meet to go over the contract and prepare for the upcoming meeting.

The water and sewer bills for the new billing cycle will be showing capacity rent for those customers who would be paying it. Morgan has been spending a great deal of time in making this data available. There may be some bugs associated with this in the process, but that is to be expected.

Staff met with Gary Martindale from the Commons on Tuesday, May 22nd, to review billing preferences for commercial property owners with multiple accounts. Mr. Martindale said he will speak to his accounting person and get back to us on their preferences. Mr. Pritchett reported he felt this meeting was very useful and was thankful that Mr. Martindale took the time to meet with the District on this matter.

Water conservation posters have started to come in and June 12, 2008 will be the Board meeting date for this annual event.


Engineering/Water Manager: Mr. Bowman thanked the Board for the opportunity to attend the Water/Wastewater Leadership training program at the University of North Carolina. Mr. Bowman felt this was a very good program and it touched on many aspects of leadership, the industry, and business planning. While attending the training, he met a gentleman from Seattle who lives in our District and manages a GPS program for a construction division. He provided Mr. Bowman with some very good information and he will be meeting with him again about GPS program information.

Mr. Bowman reported that Well 19A, the well that failed before he left for his training, was back in the hole today. They are awaiting the bacterial sampling test, and are hoping to have the well operational tomorrow. The District will still have a 90% run time for the year by getting the well back in the hole. The problem with Well 19A was the column pipe that carries water up and out. There was a hole in the pipe from a set screw and a jet of water cut a hole in the inner casing of the well. This was a very strange and unusual event and was the first time he has seen such a problem. Fortunately, the hole is up high enough that it will not be a problem and all the sand from the outside of Well 19A that came in is gone. Pumptech will be pulling the well pump out again after the permitting period to rehabilitate the pump and well. Well 21 filtration is moving right along. Well 32, which is located just outside of the Lakehaven Center Building, is drilled down about 50 feet with a 48 inch hole for the first casing. The well drilling contractor is getting ready to pour concrete around the exterior well casing and will then be able to get some extra pull down tension on it to move the internal well casing down into the ground. There will be a bit less noise because of the jacking method they are using. This should all be completed by September.

General Manager: Mr. Perry reported that a group of employees from the District will be going to Emmitsburg, Maryland next year to attend the FEMA training event with the Greater Federal Way EMAC group. He is requesting that one or two Commissioners consider going back as well, and is something he would ask them to think about. Dates for this event are August 31st through September 4th 2009. He believes this is an exercise that would be beneficial to watch and learn, and he will be providing more information on this in the future.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:20 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"/> _____ Yea	_____ Nay	_____ Abstain
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 _____ Secretary Stewart	<input checked="" type="checkbox"/> _____ Yea	_____ Nay	_____ Abstain
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 _____ Commissioner Tweddle	<input checked="" type="checkbox"/> _____ Yea	_____ Nay	_____ Abstain
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 _____ Commissioner Miller	<input checked="" type="checkbox"/> _____ Yea	_____ Nay	_____ Abstain
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