

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
May 22, 2008

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on May 22, 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 led 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

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Miller, the Board **adopted** the minutes of the meetings of April 24, 2008, May 6, 2008 and May 8, 2008 as presented.

APPROVAL OF AGENDA

Commissioner Nowicki requested to add as Information Item #2, Discussion on Organization Chart Based Upon Presentation Given at the May 6, 2008 Special Board Meeting, and add as a pending item for a future meeting, Sewer Rate Differential. Commissioner Nowicki also requested to add an executive session to this evening's agenda to discuss personnel matters.

Mr. Pritchett requested to add Action Item #1 – 2008 Administration Building Break Room Project (07-539).

Mr. Bowman requested to add Action Item #2 – 2008-2010 General On-Call Electrical Engineering Design Services Contract.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board **approved** the evening's agenda as amended above.

CORRESPONDENCE

Commissioner Nowicki handed out a copy of the "2009 Proposed King County Sewer & Capacity Charge (Hook-up) Rates per Month" for Brightwater Treatment Plant. Commissioner Nowicki also commented on the letter dated May 13, 2008 from Cedar River Water & Sewer (CRWS). CRWS is a group of special purpose districts within King County who hired Roth Hill to help keep them informed on various matters within the county and are asking for contributions. Lakehaven is not a member of this group. Commissioner Nowicki asked Ms. Alexander to make a copy of this letter for everyone to review, without making any recommendations. King County Regional Water Committee tour of Brightwater is scheduled for June 10th. Commissioner Nowicki can arrange to have Commissioners and staff attend the tour if they are interested.

CITIZEN COMMENTS

Tom Moehlman of 4265 SW 337th PI has a complaint that hasn't been taken care of yet and he wanted to bring this matter to the Board's attention. There is an open pit on the easement that Lakehaven owns and it has been there for 7 months now. He took pictures of this and spoke with a gentleman from Lakehaven on March 24, 2008. To date, nothing has been done about this hole next to his property. He would like the Board to take some sort of action to ensure this hole gets covered up. Mr. Perry wrote down Mr. Moehlman's telephone number to follow-up on this matter with him.

CONSENT AGENDA

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 5/13/08, 5/15/08, 5/20/08, 5/21/08, 5/22/08 and 5/23/08.

Maintenance Fund No. 11-333-0510

5/13/08 Voucher nos. 12547-12548, total amount of \$12,643.55;
5/15/08 Voucher nos. 12549-12622, total amount of \$222,325.02;
5/20/08 Voucher no. 12633-12644, total amount of \$2,761.75;
5/21/08 Voucher nos. 12645-12704, total amount of \$158,986.84.

Construction Fund No. 11-333-3510

5/15/08 Voucher nos. 12623-12632, total amount of \$32,879.76;
5/22/08 Voucher nos. 12705-12715, total amount of \$40,918.24.

PWTF Redondo Outfall Fund No. 11-333-6040

None

Payroll – Fund No. 11-333-0530 05/23/08

Warrants: \$ 1,081.19

Direct Deposits: \$ 174,104.56

Benefit Warrants: \$ 55,367.97 (voucher nos. 12716-12729)

Withholding/FICA \$ 74,748.44

Total Amount of: \$ 305,302.16

2. Street Lighting Proposal – 22nd Ave SW & SW 313th St; Resolution No. 2008-1109; and
3. Pac Hwy S Water Main Relocation – Ph III – Pay Request #5.

ACTION ITEMS

Item #1, 2008 Administration Building Break Room Project (07-539): Mr. Pritchett reported that bid packets were sent out and only one contractor, Advanced Technology Construction (ATC), responded by the May 16, 2008, deadline. The bid submitted is below the architect's project estimate. In order to get water to the location of the new break room, new piping will need to be brought in and will require trenching in the concrete. There will be quite a bit of cabinetry installed and some other small items. ATC is the same company that remodeled the conference room upstairs and they did a very nice job. Mr. Pritchett recommends that the Board approve ATC's bid in the amount of \$34,106.22, including tax, and authorize the General Manager to sign the contract.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the bid for the break room project from Advanced Technology Construction in the amount of \$34,106.22, including tax, and authorized the General Manager to sign the contract.

Item #2, 2008–2010 General On-Call Electrical Engineering Design Services Contract: Mr. Bowman reported that the Board had formally selected Brown & Caldwell as the most qualified firm for the on-call electrical engineering design services contract back in November of 2007. Based on the proposed capital improvement projects, staff is requesting a general service contract with Brown & Caldwell in the amount of \$400,000.00 for projects over the next three years (2008-2010). Staff anticipates utilizing this contract for the projects shown on Exhibit A. Contingency funds are also proposed for unanticipated projects that may occur during the terms of the contract. Funds for this contract do not represent new capital improvement project costs, only allocation of funds already budgeted within the capital improvement projects.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** of the three year contract with Brown & Caldwell

for "General On-call Electrical Design Services" for up to \$400,000.00 and authorized the General Manager to sign the contract.

INFORMATION ITEMS

#1, Lakota Process Air Blower Replacement; Puget Sound Energy (PSE) Conservation Grant Agreement: Mr. McCalib reported that the Board approved the purchase of the Neuros brand blowers on this project at the last board meeting on May 8, 2008. As an energy saving project, staff has worked with Puget Sound Energy (PSE) on a conservation grant to subsidize a portion of the equipment cost. As is reflected in Exhibit A, PSE's conservation grant provides for a contribution by PSE in the amount of \$156,110.00. This represents 70% of the \$223,014.00 cost for the equipment. Staff has reviewed the agreement and recommends that the Board authorize the General Manager to execute PSE's Conservation Grant Agreement #C-05465-01 on behalf of the District.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **amended** the agenda to add **Action Item #3, Lakota Process Air Blower Replacement; Puget Sound Energy (PSE) Conservation Grant Agreement; Approval.**

Action Item #3, Lakota Process Air Blower Replacement; Puget Sound Energy (PSE) Conservation Grant Agreement; Approval: Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the General Manager to execute PSE's Conservation Grant Agreement to receive the conservation grant in the amount of \$156,110.00.

#2, Organization Chart Based Upon Presentation Given at the May 6, 2008 Special Board Meeting; Commissioner Nowicki passed out two handwritten organization charts, one depicting the current organization and another showing revisions to the organizational model. Commissioner Nowicki suggested that staff and the Board review the organizational structure and give some thought to the proposed changes. He commented that with many of the long term employees approaching retirement within the next 5 to 10 years, and the staffing needs that were presented at the Special Meeting on May 6, 2008, Board members need to plan how the Utility should operate in a couple of years. He further mentioned that he hasn't discussed this with anyone yet, but would like to start planning for these additional positions and get people lined-up and trained before our General Manager retires. Commissioner Gibson mentioned he would like to discuss where union employees and non-represented employees would fall under the proposed organization chart. The Board would like Mr. Pritchett to review this and get back to them with information. Further discussion was held on union positions and distinctions between supervisors and lead positions.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki reported that Richard Fujimoto gave a wonderful presentation at the last EMAC meeting and that the next EMAC meeting has been moved to June 18th. He also mentioned that he will be ordering a book from AWWA entitled "Plain Talk about Drinking Water".

Commissioner Stewart commented on emergency management and how much emphasis has been placed on it. Commissioner Miller commented further on the matter and gave examples of how far they have come over the years and how it has changed since 9/11. Commissioner Nowicki commented on the Emergency Management Conference in Virginia next year.

Commissioner Miller reported that many tests and trainings are now required for meeting state safety requirements. He also commented on the new CPR procedures and defibrillator usage. He reported that he is still looking at putting some defibrillators at the plants.

Commissioner Tweddle reported that she attended the EMAC meeting last Wednesday.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that he and Mr. Bowman will be meeting with the Union tomorrow afternoon. He mentioned that there is not another board meeting with regular agenda items until June 26th due to the June 12th board meeting for the Water Conservation Calendar Contest winners. If there are matters that need to be heard before June 26th, they can call a special board meeting or ask to include it on the June 12th agenda if it is a minor item. Mr. Pritchett also reported that Iwan Wang, the Assistant City Manager for Finance and Administration, is leaving the City of Federal Way. All dealings with Iwan Wang have always been very positive and she will be missed. He would like to schedule a Personnel meeting for next Wednesday, May 28th, at 10:30 a.m.

Director of Finance/Information Systems: Mr. Dennis reported that the District is sending out messages on the bills regarding Capacity Rental Charges (CRC). They sent out around 12,000 bills and approximately 1,000 of these bills have a message of some sort on them about CRC. He also mentioned that some of the bills have pretty significant charges if CRC were in affect today. To date, he hasn't received any calls or messages as a result. The District will continue with its efforts in getting the word out on this.

Engineering/Water Manager: Mr. Bowman reported that the second supply line has been off since mid month due to the warm weather and the rivers running high. He also reported that Mr. Burton brought in the maintenance bond on the project.


General Manager: Mr. Perry reported he had two documents he wanted to review very quickly. About seven (7) months ago the Board President sent a letter to King County about King County's Comprehensive Plan. He just received updated information on this and will present it to the Board President and go over it with him at a scheduled time. Secondly, Mr. Perry met with the City of Kent about a sewer service area, West Hill area, and if the District would be willing to service this area. The City of Kent Consulting Engineer has asked that the Lakehaven Utility District send a letter providing them information on the ability of the District's wastewater treatment plant capacity is currently sufficient to handle the flow from the City of Kent area. It was determined that the Board President would sign the response letter. Commissioner Miller commented that the District should be looking 10 to 15 years down the road and added that pipelines and other necessary items for future planning be considered as part of the project by District staff.

EXECUTIVE SESSION/CLOSED SESSION

At approximately 7:04 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. The Executive Session started at 7:11 p.m. and ended at 7:18 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 7:20 p.m.



President Nowicki

✓			
_____ Yea	_____ Nay	_____ Abstain	

ATTEST:

Vice President Gibson

_____ Yea	_____ Nay	_____ Abstain	
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Edward E. Stewart
Secretary Stewart Yea Nay Abstain

Beverly J. Tweddle
Commissioner Tweddle Yea Nay Abstain

Donald L. Miller
Commissioner Miller Yea Nay Abstain