

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
August 14, 2008

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on August 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
Morgan Dennis	Director of Finance/Information System

Commissioner Nowicki commented that Steve Pritchett was out of town and unable to attend the meeting this evening.

APPROVAL OF MINUTES

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Miller, the Board unanimously adopted the minutes of the meetings on June 26, 2008, June 30, 2008 and July 10, 2008. Upon Motion of Commissioner Gibson, which was duly seconded by Commissioner Miller, the Board, with Commissioners Gibson, Miller and Stewart voting in the affirmative and Commissioners Nowicki and Tweddle abstaining, adopted the minutes of July 24, 2008. Upon Motion of Commissioner Gibson, which was duly seconded by Commissioner Miller, the Board, with Commissioners Nowicki, Gibson, Miller and Stewart voting in the affirmative and Commissioner Tweddle abstaining, adopted the minutes of July 31, 2008.

APPROVAL OF AGENDA

Commissioner Gibson requested to add a closed session to this evening's agenda, to be held before Action Item No. 1, to discuss wage increases for the General Manager and General Counsel.

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

CORRESPONDENCE

Commissioner Nowicki commented on the letter dated July 7, 2008, from Mr. and Mrs. Berfield regarding a water main break that occurred on July 3, 2007. Discussion was held, and the Board is waiting to hear back from the District's insurance adjuster on the matter. The Board also reviewed the letter dated August 11, 2008, from Gary Martindale, General Manager of the Commons at Federal Way, thanking Mr. Dennis for meeting with them on various occasions to discuss the new utility rates to be implemented in 2009.

CONSENT AGENDA

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the Consent Items as presented below. Mr. Dennis gave a brief overview of the discussion that was held at the Board meeting on July 24, 2008 regarding deferral of the Capital Rental Program for Multi-Family Residential Properties until 2010. Mr. Dennis also provided the Board and staff with another copy of the handout that was distributed at that meeting on 2008 Multifamily Leased Capacity Charges.

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 7/30/08, 7/31/08, 8/5/08, 8/6/08, 8/7/08, 8/8/08, 8/12/08, 8/13/08 and 8/14/08.

Maintenance Fund No. 11-333-0510

7/30/08 Voucher nos. 13456-13503, total amount of \$127,833.24;
8/5/08 Voucher nos. 13513-13521, total amount of \$15,567.81;
8/6/08 Voucher nos. 13522-13581, total amount of \$129,865.98;
8/12/08 Voucher nos. 13614-13617, total amount of \$5,052.25;
8/13/08 Voucher nos. 13618-13678, total amount of \$309,187.40.

Construction Fund No. 11-333-3510

7/31/08 Voucher nos. 13504-13512, total amount of \$121,489.83;
8/7/08 Voucher nos. 13582-13597, total amount of \$61,225.35;
8/14/08 Voucher nos. 13679-13688, total amount of \$27,232.57.

PWTF Redondo Outfall Fund No. 11-333-6040

8/7/08 Voucher no. 13598, total amount of \$16,245.19;
8/14/08 Voucher nos. 13689-13690, total amount of \$964,533.22.

Payroll – Fund No. 11-333-0530 08/8/08

Warrants: \$ 527.92
Direct Deposits: \$ 195,133.76
Benefit Warrants: \$ 140,050.20 (voucher nos. 13599-13613)
Withholding/FICA \$ 85,401.65
Total Amount of: \$ 421,113.53

2. Amend Resolution No. 2008-1102 to Defer the Capacity Rental Program for Multi-Family Residential Properties until 2010; Adopting Resolution No. 2008-1112.

INFORMATION ITEMS

#1, 2008 Well 19A Submersible Motor & Pump Cable Purchase: Mr. Bowman reported on the 2008 Well 19A Submersible Motor & Pump Cable purchase and requested that the Board consider moving this item to action due to the urgent need of a submersible motor and cable for Well 19A. During a recent inspection of Well 19A, the submersible motor, power cable and pump were found to show signs of impending failure due to grounding faults in the motor and cable and excessive shaft and bearing wear on the pump. PumpTech Inc. of Bellevue, WA is currently under contract with the District to provide well maintenance service and has submitted to staff a proposal to provide a new submersible motor that is in-stock and at a reasonable cost of \$27,058.00 and 120 feet of new submersible pump cable at a cost of \$6,360.00, for a total of \$37,377.75, which includes freight and tax. The installation of this equipment and repair of the existing Peerless pump is currently covered under the "On-Call Service Contract" between the District and PumpTech Inc. A Single Source Waiver Approval was submitted by staff and approved by management for this special purchase. Mr. Bowman stated he would like to get Well 19A back on line as soon as possible and also take advantage of the fact that PumpTech has a motor available that is compatible with the pump.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Stewart, the Board unanimously **amended** the agenda to add **Action Item #2, 2008 Well 19A Submersible Motor & Pump Cable Purchase; Approval.**

Action Item #2, 2008 Well 19A Submersible Motor & Pump Cable Purchase; Approval: Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the purchase amount of \$37,377.75, including tax and freight, for the purchase of a new submersible motor and cable for Well 19A and authorized the General Manager to execute a purchase contract for this purpose.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki reported that the safety luncheon worked out very well this afternoon. Commissioner Miller commented that the purpose of the safety committee was well met this afternoon and thought the turn out was good. Commissioner Nowicki attended the Operations meeting on Wednesday, August 13th, and reported that the next Operations meeting will be held at 9:00 a.m. on Wednesday, October 8, 2008. He reviewed some of his notes from the Operations meeting with other Board members. He will provide copies of his notes to all Board members.

Commissioner Miller commented on the Lakota Outfall project and the current status. Mr. Perry made further comment on the project and the upcoming phases. Further discussion was held on the different phases of the Lakota Outfall project.

Commissioner Miller commented that he would like to have added to the next agenda or schedule a special meeting to further address staffing and organizational needs of the District. After a brief discussion, it was the consensus of the Board to add this as an agenda item to the next regularly scheduled Board meeting on August 28, 2008.

STAFF REPORTS

Engineering/Water Manager: Mr. Bowman mentioned that he will be meeting with Cascade Water Alliance tomorrow to discuss their interest in wheeling water from Tacoma to Highline and then to Tukwila. Mr. Bowman commented that customers have reported that they are starting to notice a tinge of yellow color in the water. The seasonal water stored behind Howard Hansen Dam is adsorbing manganese in the reservoir which creates the yellow color. He stated he will check again early next week on this matter and will most likely move to shut down water from Tacoma.

Mr. Bowman notified the Board that the on-call million dollar contract with Valley Electric had \$75,000 budgeted for Well 19A, but it will only cost \$59,000.00. The work on Well 19A will begin on Monday and the generator should be hooked up and completed by mid September.

General Manager: Mr. Perry reported Andy Wilt, Project Manager on the Lakota Outfall Project, and Mr. Perry went down to the Department of Ecology (DOE) to meet with the DOE and the Department of Natural Resources to provide the state agencies with a updated project report on Lakota Outfall Study. The agencies also were interested in the progress that had been made on the Redondo Outfall pipe installation.

He reminded everyone that Monday morning at 8:00 a.m. they will be leaving to go up to the Howard Hansen Dam to look at the water operations, fish passage and all the other buildings at the facility.

He also reminded everyone that training will take place on August 19th at City Hall in the council chambers for IMEC, FEMA training. A make-up session will be held on Wednesday, August 27th. Mr. Perry emailed this information to the Board members and will provide hard copies of the email to Commissioners Stewart and Twedde.

CLOSED SESSION

At approximately 7:15 p.m., the regular meeting was recessed in order to conduct a Closed Session for the purpose of discussing the General Manager's and General Counsel's wage increases. It was stated that the Closed Session would last approximately 15 minutes. At approximately 7:30 p.m., the Closed Session was adjourned and the regular meeting was reconvened.

ACTION ITEMS

#1, General Manager and General Counsel Wage Increase: Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Miller, the Board unanimously **approved** of wage increases for the General Manager and General Counsel. The General Manager shall receive an annual salary of \$130,500.00 retroactive to January 1, 2008, and the General Counsel shall receive an annual salary of \$125,200.00 retroactive to January 1, 2008.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:33 p.m.

 _____ President Nowicki	<input checked="" type="checkbox"/> _____ Yea	<input type="checkbox"/> _____ Nay	<input type="checkbox"/> _____ Abstain
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ATTEST:

 _____ Vice President Gibson	<input checked="" type="checkbox"/> _____ Yea	<input type="checkbox"/> _____ Nay	<input type="checkbox"/> _____ Abstain
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 _____ Secretary Stewart	<input checked="" type="checkbox"/> _____ Yea	<input type="checkbox"/> _____ Nay	<input type="checkbox"/> _____ Abstain
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Beverly J. Tweddle ✓
Commissioner Tweddle Yea Nay Abstain

Donald L. P. Miller ✓
Commissioner Miller Yea Nay Abstain