

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
August 28, 2008

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on August 28, 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 Tweddle 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

Happy Birthday Commissioner Tweddle!

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 August 14, 2008 as presented.

APPROVAL OF AGENDA

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

CORRESPONDENCE

Commissioner Nowicki reported that he received a notice from the Washington Coalition for Open Government (WCOG) inviting him to nominate a member of the Board or staff to participate in the Open Government Leadership Institute in the spring of 2009 at the Dumas Bay Centre in Federal Way. He also reported that he received a letter from Bob Sheckler, Mayor of the City of Des Moines, looking for committee members to participate in the 50th Birthday Celebration planning.

CONSENT AGENDA

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 8/19/08, 8/20/08, 8/21/08, 8/22/08, 8/25/08, 8/27/08 and 8/28/08.

Maintenance Fund No. 11-333-0510

8/19/08 Voucher no.13691, total amount of \$1,355.92;
8/20/08 Voucher nos. 13692-13745, total amount of \$381,161.52;
8/25/08 Voucher no. 13765, total amount of \$69,616.27;
8/25/08 Voucher no. 13780, total amount of \$1,509.60;
8/27/08 Voucher nos. 13781-13838, total amount of \$85,908.30.

Construction Fund No. 11-333-3510

8/21/08 Voucher nos. 13746-13764, total amount of \$623,802.27;
8/28/08 Voucher nos. 13839-13848, total amount of \$410,593.61.

PWTF Redondo Outfall Fund No. 11-333-6040

None

Payroll – Fund No. 11-333-0530 08/25/08

Warrants: \$ 2,107.56
Direct Deposits: \$ 188,569.83
Benefit Warrants: \$ 66,853.90 (voucher nos. 13766-13779)
Withholding/FICA \$ 82,137.99
Total Amount of: \$ 339,669.28

ACTION ITEMS

#1, North Lake Development Agreement: Mr. Pritchett reported that in 2006 the District sold a surplus parcel of property adjacent to the 16th Avenue Tank Site property to the Developer, Mr. Lauzen, who is present at tonight's meeting. Mr. Lauzen is working to develop a subdivision in this area which includes the lot purchased from the District. In order to make the subdivided parcels fully contiguous, it is necessary that the District relinquish its interest in the portion of the Tank Site parcel, the access stem, that connects the parcel to 16th Avenue South in favor of the Developer. The best manner in which to accomplish the transfer of property appears to be through a lot line adjustment through the City of Des Moines. In exchange for the access, the Developer is proposing to pay the District \$31,711.000 and convey to it a tract within the plat that will connect the Tank Site property to the right-of-way to be developed within the subdivision. Staff believes that this will improve access to the Tank Site. Staff and the Developer have discussed this for quite some time and have been working with the City of Des Moines. Mr.

Pritchett reported that he spoke to the Assistant State Attorney General who works for the King County Auditor's Office and they agreed that this was a good way to transfer the property. District staff will have an adequate turning radius into the site and all roadways necessary for access to tank site. Staff reported that it would be a better way to access the site than the District currently has.

Mr. Ken Lauzen of Northlake Development for the Crestwood Park, introduced himself to the Board and presented a site map of the property. The site map showed where the tank site is and where the access stem comes across. Mr. Bowman commented that Northlake will pay for power and other costs associated with changes. The Board thanked Mr. Lauzen for attending the meeting and presenting the site map to them for review.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the Boundary Line Adjustment in the form as the attached Agreement Regarding Boundary Line Adjustment.

INFORMATION ITEM

#1, 2008 Well No. 33 Submersible Pump & Motor Assembly Purchase: Mr. French reported on the need to install a pump and motor assembly in Well 33. Back in 2006, test Well 33T was drilled through the Deep Aquifer. The test well was to be followed by the drilling of a high production well (Well 33) and designated to be utilized as a small production well within the Deep Aquifer.

To continue development of the production capacity authorized under the Deep Aquifer water right, Lakehaven staff completed specifications for the purchase of a submersible pump and motor assembly for Well 33. On July 28, 2008, request for proposals were mailed to eleven qualified pump and motor vendors. On the closing date of August 15th, only one vendor submitted a proposal. Staff contacted the vendors who failed to respond and received answers as to why they did not submit a proposal. The only responsive bidder, PumpTech Inc. of Bellevue, Washington, submitted a proposal to provide a new 60 horsepower Franklin motor with a new 16 stage, 250 gpm Flowserve pump, check valve, submersible cable, column pipe, and other appurtenances. PumpTech Inc. is currently the on-call pump and motor service firm for the District. Mr. French commented that the District has two wells that currently have Franklin motors in them and that these motors are top of the line motors. Staff reviewed the vendor's submittal and determined it met the bid specifications at a reasonable cost of \$45,762.56, including freight and state sales tax. He reported that his estimate is off because he used figures from the last submersible pump and motor purchased for Well 9, which has an average to lower end pump, and one that would not work for Well 33. He commented that he believes this is a very good system that will last the District for several years. The vendor has stated it would take 3 weeks to get the motor, but it is his guess that it will take several months. One of the problems they are facing is that power is not currently at the site and will need to be brought in. Mr.

Bowman reported he could take power from another well to get Well 33 up and running. Staff will be working to get power at the site by the end of the year.

It is staff's recommendation that the Board accept the bid as shown in Exhibit A. Due to the time frame of 3 months between ordering and receiving a new pump and motor assembly, it is also recommended that the Board move this to an Action Item and accept the proposal from PumpTech Inc.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board unanimously **amended** the agenda to add **Action Item #2, 2008 Well No. 33 Submersible Pump & Motor Assembly Purchase; Approval.**

Action Item #2, 2008 Well No. 33 Submersible Pump & Motor Assembly Purchase; Approval: Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the proposal from Pump Tech Inc. in the amount of \$45,762.56, including sales tax, for the purchase of a new submersible pump and motor assembly for Well 33 and authorized the General Manager to execute a purchase contract for this purpose.

#3, Metro Sewer Rates and the Impact on Lakehaven Utility District: Commissioner Nowicki passed around a handout on this matter for the Board and staff to review. The handout included a map that showed boundaries of the Collection Basin Flowing to Metro and the Effect of Increased King County Sewer Rates on District Customers.

Mr. Dennis reported that for approximately 20 years, the District has had a unified rate structure for sewer customers. This structure was put in place to simplify billing and to create a single rate structure that was consistent for all District Customers. At the time it was put in place, charges from Metro (King County) were a small part of what the District charged a sewer customer that flowed to the Metro facilities. Over the past decade, the District has experienced a significant increase in sewer charges from Metro. The increase approved by King County Council for 2009 will set sewer rates that the District pays at \$31.90 per month for a single family residence. This amount is significantly more than the District is recovering from individual sewer customers connected to the Metro sewer system. There are currently approximately 885 ERUs flowing to King County, with an additional 300 plus units expected to be connected in the next 2 to 3 years.

Mr. Dennis gave a brief presentation on some options the District may wish to consider to address the loss in revenue within the District's Metro service area. After much discussion on various options, Commissioner Nowicki commented that he would like to send customers connected to the Metro sewer system a letter of the District's intent in 2009. Mr. Perry reported that there was an Agreement signed by the District and King County in the early 1980's that would need to be reviewed prior to making a decision on how to proceed on this matter. Discussion was held on current water boundaries and where these customers are in relation to those boundaries. Further discussion was held on various options to look into for customers and

King County. Mr. Pritchett commented that the difference in cost to customers is a legitimate legal basis on which to adjust their rates. Discussion was held on possibly holding a special meeting on this matter in a larger venue because of the number of customers affected who may want to attend the meeting. Discussion was closed on this matter and the Board asked that staff prepare a breakdown of cost and a draft letter to customers for them to review within the next month.

#4, Line Cleaning Presentation: Mr. Haase presented a verbal overview on the sewer line cleaning program. He reported that the District has two main drain basins, Redondo Treatment Plant and Lakota Treatment Plant. Line cleaning programs break down to 40 individual drainage basins. There is over 320 miles of sewer main line within the District, and crews systematically go out and clean basins. It generally takes 3-4 years to complete all of the District area. Crews go out and look for abnormalities in the lines (i.e. trees roots, or bellies in pipes, cracks in pipes, etc.). If there are abnormalities found, they make a note of it to their section lead. Depending on the problem, they have different scenarios that take place. Decisions are then made on how often the lines need to be cleaned or repaired, and inspections are made on the lines during each cleaning. Commissioner Gibson asked about root repair and damage to pipes. Mr. Haase reported that at the point of repair, they use chemical grout and an expansion joint that seals the area. Mr. Perry commented that a little over half of the crew's time on a monthly basis is spent on code lines (i.e. lines with grease, roots and bellies in the pipes). Mr. Bowman reported that the District is installing grease traps for new businesses that are going in. Mr. Bowman further reported that the goal is to get the code book hooked up with GIS. The Board thanked Mr. Haase for the informational presentation on the line cleaning program.

#2, Future Staffing Needs for Lakehaven Utility District: The Board has met with staff at two Special Meetings and a regular Board meeting concerning future staffing needs. At the last Board meeting, staff was asked to come up with a list of additional personnel needed for the District and the justification for the needed staff. Staff was also asked to estimate if the additional staff would need additional space to house the proposed personnel.

Mr. Perry referred the Board to page 71 of the Agenda packet. This attachment provides a break down of future staffing needs by year and division. He reported that the number of positions has been reduced from 21 to 19 and are phased in differently than originally proposed.

Mr. Haase reported on Field Operations and reviewed the FTE spreadsheet chart with the Board.

Mr. Bowman reported on the Water Ops and Engineering position request and reviewed the FTE spreadsheet with the Board.

Mr. McCalib reported on the Wastewater Operations position requests. He reviewed the FTE spreadsheet chart with the Board and explained the need for each of the requested positions. The Board thanked Mr. McCalib for his presentation.

Mr. Perry introduced Mr. Norman Cook, the new Assistant Wastewater Operations Manager, to the Board. Discussion was held on having a preventive maintenance system in place. Mr. Cook gave examples of use of staff in order to get equipment back into working status and things back into operational mode. Further discussion was held on staffing needs versus current on-call costs. Mr. Cook commented if we had more staff, the District could do much of the contractor services in-house. Discussion was held on phasing in on-call services until additional staff is hired. Discussion was held on the need to have written documentation in each of the facilities summarizing important information on what is needed to maintain operations in each. When long-term employees leave the District, this information needs to be written on paper or it will be gone forever. Mr. Perry would like to get this underway soon. Further discussion was held on funding additional expenses of new employees. The Board congratulated Mr. Cook on his new position and thanked him for his comments.

Mr. Pritchett reported on the impact these requested positions would have on administration. He stressed to the Board that the spacing needs would need to be met to house all these new employees. He commented that he would like to have the on-call architects start moving forward with estimates for increasing office space.

Mr. Dennis reported that at this time they have a band-aid situation in IT and have a quarter FTE on-call person. He believes they can function as a help desk right now, but eventually it would be more cost effective to have somebody in-house fulltime.

Commissioner Nowicki asked Mr. Perry what is needed from the Board at this time to resolve the staffing needs. Mr. Perry reported that these figures have not been reflected in the budget to date, and this information needs to be given to Mr. Dennis so they can present figures to the Board. Commissioner Nowicki commented that he appreciated all the work that has gone into putting the staffing requests together. Commissioner Nowicki would like to start moving this forward and start budgeting for it.

The Board directed staff to include positions proposed in the budget to obtain a better idea of the impact to the district's budget to 2009-10.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki reported on the status of the Redondo Outfall. Commissioner Tweddle reported on the Board tour of Howard Hansen Dam.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that the Union had delivered the Labor Agreements on the Union Contract and signatures were needed from the Commissioners.

He further requested to meet with the Board to discuss the upcoming negotiations with the ASFME Union which are set to begin in October.

Mr. Pritchett also requested to meet with the Finance Committee in follow-up to a response from the Commons' representative on the leased capacity program. He would like to have the opportunity to review this with the Finance Committee prior to meeting with the Commons representative. A meeting with the Finance Committee was then scheduled for tomorrow at 1:00 p.m.

Mr. Pritchett reported that the District was named in a lawsuit involving Cedar River Water and Sewer District and Soos Creek. The District is named only because of the contract with King County. Blair Burroughs has filed a Notice of Appearance on behalf of the District.

Mr. Pritchett reported that the final rankings are ready for the On-call Architectural Services and will be presented at the next Board meeting.

He reported to the Board that there has been some discussion held between the City's Legal Department, himself and the South King Fire District's Legal Department on property that the District had owned and was transferred to the Fire District in 1978. The Fire District would like to make a training center on the property and has submitted a lot line adjustment on property encumbered by Brooklake Community Club in favor of the City of Federal Way. The District has been corresponding with the Fire District regarding a title concern in the original transfer of the property in 1978 and the matter should resolve itself.

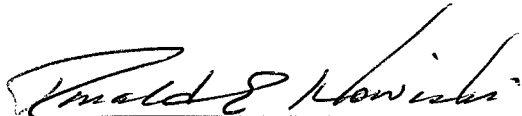
Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Miller, the Board unanimously **extended** the meeting 15 minutes.

Engineering/Water Manager: Mr. Bowman thanked the Board for approval of the Well 19 motor and reported that the motor was already installed and ready to be powered up. He reported that the second supply line water is becoming more yellow and they are shutting it down. The water is safe to drink, but the manganese is causing yellowing problems. He further reported that the well head protection letters went out to customers.

General Manager: Mr. Perry thanked all the staff who attended the meeting and wished Commissioner Tweddle a Happy Birthday. Mr. Perry also thanked the Board for their consideration at the last meeting.

ADJOURNMENT


There being no further business to come before the Board, the meeting was adjourned at approximately 9:04 p.m.



President Nowicki

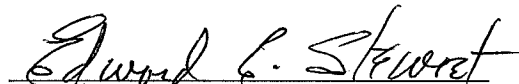
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Yea	Nay	Abstain

ATTEST:




Vice President Gibson

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Yea	Nay	Abstain



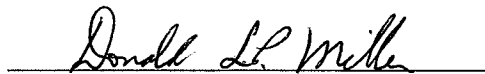
Secretary Stewart

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Yea	Nay	Abstain



Commissioner Tweddle

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



Commissioner Miller

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