

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
January 8, 2009

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on January 8, 2009, at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

President Gibson 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:

Charles Gibson	President of the Board
Donald Miller	Commissioner
Ronald Nowicki	Commissioner
Don Perry	General Manager
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **excused** Commissioner Tweddle from the meeting. Commissioner Miller will serve as Acting Secretary in Commissioner Tweddle's absence.

APPROVAL OF MINUTES

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **adopted** the minutes of the meeting of December 4, 2008 as presented.

APPROVAL OF AGENDA

Mr. Pritchett requested to add an executive session at end of the meeting to discuss potential litigation.

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

CORRESPONENCE

Commissioner Gibson reported that the Board received the official report from the Washington State Auditor's Office. The Board gave it's thanks to staff for an excellent report.

CONSENT AGENDA

Upon motion of Commissioner Nowicki, 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 12/16/08, 12/17/08, 12/18/08, 12/23/08, 12/29/08, 12/30/08, and 1/8/09.

Maintenance Fund No. 11-333-0510

12/16/08 Voucher nos. 15038-15039, total amount of \$560.62;
12/17/08 Voucher nos. 15040-15116, total amount of \$138,163.09;
12/29/08 Voucher nos. 15144-15149, total amount of \$5,490.12;
12/29/08 Voucher nos. 15150-15226, total amount of \$316,325.57;
12/29/08 Voucher no. 15249, total amount of \$68,395.84

Construction Fund No. 11-333-3510

12/18/08 Voucher nos. 15117-15129, total amount of \$46,753.23;
12/30/08 Voucher nos. 15227-15247, total amount of \$50,951.04

Redondo Outfall Fund No. 11-333-6040

12/30/08 Voucher no. 15248, total amount of \$31,451.89

Payroll – Fund No. 11-333-0530 12/23/08 1/8/09

Warrants: \$ 802.72 \$ 0.00
Direct Deposits: \$ 195,600.14/\$206,275.37
Benefit Warrants: \$ 71,921.66/\$151,644.71
(voucher nos. 15130-15143; 15250-15264)
Withholding/FICA \$ 81,139.91/\$ 89,647.59
Total Amount of: \$ 349,464.43/\$447,567.67

2. Street Lighting Proposal – 8th Ave SW & SW 314th Pl; Resolution No. 2009-1118.

ACTION ITEMS

#1, 2009 Board/GM/GC Conference Travel Authorization: At the December 11, 2008 Board meeting, 2009 conference schedules and associated conference information was presented to each Board member, the General Manager and General Counsel for their review and consideration. Commissioner Nowicki requested that the Washington Association of Sewer and Water Districts' Spring Conference be added to the conference schedule.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **authorized** travel for any Commissioner, General Manager

and/or General Counsel wishing to attend any of the conferences listed on the attached 2009 Conference Listing, with the addition of WASWD Spring Conference.

#2, Network Support Services Contract: The District requested proposals for monthly network security, reliability, critical incident support, as well as general network consulting services in the fall of 2008. These services include regular network auditing and security testing, help desk support for our own IT staff, and provide additional backup skills to the IT Department so that issues can be resolved quickly and avoid the need to hire an additional full-time network administrator. Three firms responded to the request and, after evaluation of the proposals, staff recommends that the District retain the services of Seitel Systems, LLC. Mr. Dennis reported that Seitel has worked with the District on various projects for over 10 years and he has always found their technicians to be very knowledgeable and their billings to be reasonable. The estimated amount of the contract is \$31,500.00 and will run through the end of 2009. Mr. Pritchett commented that Paragraph 4 in the Agreement for Network Support Services states in error that the contract shall run through June 30, 2008, and it needs to be corrected to state that it shall run through December 31, 2009. Mr. Dennis requested that the Board approve the contract with Seitel Systems, LLC.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the Agreement for Network Support Services with Seitel Systems, LLC, in the amount of \$31,520.00.

INFORMATION ITEMS

#1, January 2009 – December 2009 Liquid Chlorine Purchase: Mr. French reported that Water Operations Department estimates approximately 39,000 lbs of liquid chlorine will be needed for disinfection treatment of the District's drinking supply in 2009. This will be supplied as needed through the delivery of multiple 150 lb. cylinders. The District solicited requests for quotes from local vendors and received two proposals. Staff has reviewed the bids and considers them to be fair and reasonable. Olin Chlor Alkali Products of Tacoma, Washington submitted the lowest bid in the amount of \$34,008.00, including tax, for the purchase of liquid chlorine over a 12 month period in 2009. Mr. French requested that the Board consider moving this to an action item and consider authorizing the General Manager to execute a chlorine purchase contract with Olin Chlor in the amount of \$34,008.00, including tax. Discussion was held on storage of chlorine and site delivery. The District receives a reduced price by having its employees pick up the cylinders as opposed to having the company deliver them to the District.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **amended** the agenda to add **Action Item #3, January 2009 – December 2009 Liquid Chlorine Purchase; Approval.**

Action Item #3, January 2009 – December 2009 Liquid Chlorine Purchase; Approval: Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner

Miller, the Board unanimously **approved** the bid from Olin Chlor Alkali Products for 2009 Liquid Chlorine Purchase in the amount of \$34,008.00, including tax, and authorized the General Manager to execute the purchase contract.

#2, Lakota Treatment Plant Digester Mixer Upgrade Purchase: Mr. Cook reported on the Lakota Treatment Plant Digester Mixer Upgrade Purchase. Due to age, wear on equipment and corrosion issues from the digester gases, the system is past its useful life. The Department of Ecology is requiring the District to formulate a plan to address future needs for maintaining adequate capacity. Staff has researched different options and feels the best option for the Plant would be to increase the mixing system efficiencies by installation of the Vaughn Rotomix and to install a solids thickening systems to concentrate feed streams and then finally install new dewatering equipment. The increase in capacity of upgrades would be greater than 100%. The District would also reduce hauling cost once these systems were put into place. Mr. Cook reported that staff is proposing to purchase equipment from Vaughn Co. Inc. for the digester tanks. Mr. Perry commented that the Vaughn mixers and the installation of new solids thickening systems would significantly increase the percentage of thickening solids going to the digesters. Mr. Cook reported that the design is currently being completed by Earth Tech and is close to 95% complete. They are currently waiting for a final code determination from the City of Federal Way building officials. The total cost of replacing the existing failing digester related equipment with upgraded equipment would be between 2 and 3.2 million dollars versus 6 to 7 million dollars to build an additional digester tank. Commissioner Nowicki commented that he was hesitant to move this to an action item because of the range in the estimated price and that he would like the entire Board to hear a presentation on this matter. Discussion was held on timeframe of equipment purchase and set-up. Commissioner Nowicki suggested bringing this matter back before the Board with a plan on how to upgrade it and a starting point. Mr. Perry commented that the million dollar cost difference depends on the City requirements. Mr. Cook commented that another advantage with this equipment is that there won't be any moving parts inside of the tank and all mechanical equipment and moving parts will be on the outside of the tanks. Mr. Bowman reported that he believes the proposal was received in the beginning of December and has about a 45 day life. He suggested that the District ask for an extension of time on this proposal. Mr. Cook reported that staff will bring back the requested plan and show the steps necessary to accomplish the project. He will also provide information on the life of propellers and cost to replace them.

#3, 2009 – 2011 On-Call GIS Support Services Contract: Mr. Bowman reported that the District reached the \$20,000.00 term limit of its existing 2008 On-Call GIS Support Services Contract. In November of 2008, the District advertised and received Requests for Proposals (RFPs) from six firms for a new three year 2009-2011 On-Call GIS Support Services Contract. Following evaluation of potential firms by staff, Woolpert, Inc. was ranked highest of the six RFPs. Woolpert Inc. provided the On-Call services to the District in 2008 and staff is recommending Woolpert Inc. for the new three year support services contract in an amount not to exceed \$60,000.00 total over the three-year period.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **amended** the agenda to add **Action Item #4, 2009 – 2011 On-Call GIS Support Services Contract; Approval.**

Action Item #4, 2009 – 2011 On-Call GIS Support Services Contract; Approval:
Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **approved** another three year contract (2009-2011) for On-Call GIS Support Services with Woolpert, Inc. in the total amount of \$60,000.00 and authorized the General Manager to negotiate and sign a new contract with Woolpert, Inc.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller had a meeting with the Risk Manager and they discussed insurance matters. During the meeting, it was agreed that the District would continue with Brown and Brown as their insurance carrier. The District has been very happy with their services to date.

Commissioner Gibson attended the Chamber Legislative Committee meeting. The top priorities discussed at the meeting were transportation matters. The District will have some infrastructure to move at the intersection of Highway 18 and 348th Street. Tomorrow morning he and Commissioner Nowicki will be attending the South Sound Chambers of Commerce Legislative Coalition breakfast. Commissioner Gibson handed out committee assignments for 2009.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that there are 273 applicants requesting to attend the Water Festival. Currently, the District has budgeted for 250 applicants (\$2,500.00) to attend this event. If the District were to accept all applicants, they would need a total of \$2,730.00. He commented that there are other funds in the conservation budget that are unspent and suggested that these funds be moved so all the applicants can attend. The Board stated that they were in agreement with moving funds so that all applicants can attend. Further discussion was held on presentations for the water conservation program. Commissioner Nowicki commented on the District's conservation garden, and suggested looking at having students participate in maintaining the conservation garden as part of their education for the water conservation program. Commissioner Nowicki asked the General Counsel if the Union would need notice of this. Mr. Pritchett reported that he could write a letter to the Union addressing the matter.

Mr. Pritchett commented on differential rates to King County and other metro customers and the need to hold informational public meetings for these customers. He suggested that in the next billing cycle they include some dates and locations of meetings. Discussion was held on schools in these areas that could possibly host the meetings. Mr. Pritchett reported that he will contact the schools and check on availability for meeting dates.

Director of Finance/Information Systems: Mr. Dennis reported that the web pay system is up and running and working well. He is looking at having this available to customers in February. This also includes automated service where customers will be able to call in telephonically and put in their numbers. Initially, the system may not show all the account history, but this will be the next phase of the system. The system will show what is currently owed and customers can set up autopay with bank account or credit card information. Those customers currently on autopay will not notice a difference in their billing.

Engineering/Water Manager: Mr. Bowman reported that they have set up a test pump for Well 32. He also reported that Mr. Perry and he met with Highline to discuss selling water to Highline, and that they are working on a possible agreement for this.

He also wanted to inform the Board that the City of Federal Way approached the District about culverts and access to well site 15/15A in the area of 352nd Street and Pacific Highway South. The City said there is a potential development going in this area and they are looking at doing some improvements. The District has a water line going over the culvert that that would be replaced at the same time the culvert was replaced. The City is offering to do the design and permitting work and is looking for the District to come up with money for construction cost. The District will be having further discussions on this matter with the City.

Mr. Bowman reported that the Howard Hansen Dam went up over 130 feet in a matter of hours during the recent flooding. The water is very turbid as a result. They are increasing the discharge as the flows in Auburn go down.

General Manager: Mr. Perry reported that at the last Board meeting, the Board requested that he look at other alternatives to the HVAC system. After considering several other ideas, it was decided to just replace the equipment on top of the roof to resolve the top floor HVAC issues. The cost to do this would run approximately \$175,000, including engineering costs. To resolve the bottom floor HVAC issues at a later date, the estimated cost is approximately \$126,000.00. Mr. Perry said he believes the budget figure for this project is around \$150,000.00. He is looking for guidance from the Board, and if they want to consider moving forward with this. The Board indicated they would like to move forward with getting a bid for the top floor at this time.

Mr. Perry reported that the negotiations surrounding the Redondo outfall pipe change orders went well. The District paid the material cost of approximately \$8,000.00 and the Contractor and Cosmopolitan Engineering Group picked up the difference. He also commented that Cosmopolitan Engineering Group delivered a report on the Lakota Outfall Pipe Study. He would like to have a meeting with the Board and the consultants as well to review this study. The Department of Ecology (DOE) is pushing for this as well. The outfall pipe does not need to be replaced as it is in good physical condition. It is the location that is a problem because of the shell fish being in the area of the outfall and by international law shell fish can't be harvested

within a certain distance of an outfall. Further discussion was held on the outfall relocation. Mr. Perry commented that the report will be coming to the Board as soon as staff has reviewed it.

Mr. Perry reported that he had a discussion with the City of Auburn concerning water, and that Mr. Bowman will be providing the City of Auburn with further information. He also reported that the City of Milton had a meeting on Monday about substantially raising their water rates.


Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **excused** Commissioner Stewart from the meeting.

EXECUTIVE SESSION/CLOSED SESSION


At approximately 7:30 p.m., the regular meeting was recessed in order to conduct an Executive session for the purpose of discussing potential litigation. The Executive session convened at 7:35 p.m. and it was stated that the Executive session would last approximately 15 minutes with no action taken. At approximately 7:51 p.m. the Executive session was extended 10 minutes. At 8:01 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 8:02 p.m.



President Gibson



Yea
Nay Abstain

ATTEST:

ABSENT

Vice President Stewart

Yea
Nay Abstain

ABSENT

Secretary Tweddle

Yea
Nay Abstain

Ronald L. Miller
Commissioner Miller

<u>✓</u>	<u> </u>	<u> </u>
Yea	Nay	Abstain

Ronald E. Nowicki
Commissioner Nowicki

<u>✓</u>	<u> </u>	<u> </u>
Yea	Nay	Abstain