

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
February 12, 2009

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on February 12, 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 Nowicki to lead the flag salute. Members/officials present were as follows:

Charles Gibson	President of the Board
Edward Stewart	Vice 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 Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **excused** Commissioner Tweddle from the meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board, with Commissioners Gibson, Miller and Nowicki voting in the affirmative and Commissioner Stewart abstaining, **adopted** the minutes of January 8, 2009 as presented. Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **adopted** the minutes of January 22, 2009 as presented.

APPROVAL OF AGENDA

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

CITIZEN COMMENTS

Mr. Charles Garner of 29811 Marine View Dr SW, Federal Way, Washington, presented to the Board that he acquired further information on the testing of the water run-off near his property. He also received requested copies of records from the District. Also in attendance was Mr. Garner's neighbor, Dale Voss. Discussion was held on fecal levels found in the water run-off. Commissioner Gibson reported that the District does not control surface water and that the City operates the surface water in Federal Way. Discussion was held on the developer extension

process and how this might be a better process for them to pursue for installation of sewer mains in their neighborhood. Mr. Pritchett explained the developer extension agreement process. Mr. Perry volunteered to provide Mr. Garner with information on the process for acquiring a developer extension agreement, and asked that he contact the District and a meeting could be set up for this. Mr. Perry then gave Mr. Garner his business card. Mr. Garner thanked the Board for their time and requested to be put on the next regular board agenda.

CORRESPONDENCE

Senator Tracey Eide sent a letter to Commissioner Gibson expressing her appreciation of his visit to the Legislature and for keeping her informed on business issues relating to Federal Way.

Commissioner Gibson recessed the regular meeting and opened the public hearing for the purpose of hearing testimony from the public regarding the street lighting proposal for 8th Ave SW & SW 314th Pl. Hearing no testimony, Commissioner Gibson adjourned the public hearing and reconvened the regular meeting.

CONSENT AGENDA

Commissioner Miller asked for clarification on a consent item on page 37. Mr. Dennis informed him that this was a quarterly lease charge for one of the District's copy machines.

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 1/27/09, 2/3/09, 2/4/09, 2/5/09, 2/9/09, 2/10/09, 2/11/09, and 2/12/09.

Maintenance Fund No. 11-333-0510

1/27/09 Voucher no. 15618, total amount of \$48,854.55;
2/03/09 Voucher nos. 15501-15508, total amount of \$11,859.73;
2/04/09 Voucher nos. 15509-15603, total amount of \$187,151.47;
2/05/09 Voucher no. 15617, total amount of \$17,816.24;
2/10/09 Voucher no. 15634, total amount of \$1,437.18;
2/11/09 Voucher nos. 15635-15690, total amount of \$184,021.53.

Construction Fund No. 11-333-3510

2/05/09 Voucher nos. 15604-15616, total amount of \$100,563.60;
2/12/09 Voucher nos. 15691-15696, total amount of \$41,090.56.

Payroll – Fund No. 11-333-0530 02/09/09

Warrants: \$ 0.00

Direct Deposits: \$ 192,478.64

Benefit Warrants: \$ 144,306.85

(voucher nos. 15619-15633)

Withholding/FICA \$ 82,063.28

Total Amount of: \$ 418,848.77

2. Pacific Highway S Water Main Relocation Phase III – Pay Request #8;
3. Street Lighting Proposal – 7th Place SW; Resolution No. 2009-1120.

ACTION ITEMS

#1, Street Lighting System Establishment – 8th Ave SW & SW 314th Pl; Public Hearing at 6:30 p.m.; Resolution No. 2009-1119:

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** Resolution No. 2009-1119, establishing a street lighting system for the area within the District described as 8th Ave SW & SW 314th Pl. and setting an effective day for the provision of street lighting services as March 14, 2009.

#2, Set Special Meeting – Lakota WWTP Outfall Discussion: Mr. Bowman proposed to set a special meeting to review the Lakota Waste Water Treatment Project Outfall Report. Mr. Bowman commented that the consultant's preference is February 18, 2009.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** to hold a special meeting on February 18, 2009 at 1:30 p.m. to review the Lakota WWTP Outfall Report.

#3, 2009 Dash Point Road Sewer Trunk Repair: Tim Osborne reported that staff is seeking Board approval to award the 2009 Dash Point Road Sewer Trunk Repair to the low bidder, Wm. Dickson Construction of Tacoma, Washington, in the amount of \$50,551.50, including tax.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the construction contract with Wm Dickson Construction for the Dash Point Road Sewer Trunk Repair Project in the amount of \$50,551.50, including tax, and authorized the General Manager to execute the contract on behalf of the District.

#4, Interlocal Agreement South 356th Street at SR 99: Mr. Bowman handed out a revised Exhibit B to the Board and staff for review. He reported that there were 14 bidders and

the District's schedule was the lowest of the 14. The estimated construction cost was previously \$100,067.00 and the bid received was only \$44,140.00.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the bid from Ceccanti, Inc. in the amount of \$44,140.00, including tax, per the terms of the Interlocal Agreement.

INFORMATION ITEMS

#1, 2009-2011 On-Call Emergency Pump & Motor Services Contract: Stan French reported that on December 31, 2008 an existing 3-year service contract with PumpTech, Inc. came to an end for the On-Call Emergency Pump & Motor Services. The District advertised for proposals from qualified bidders for a new 2009-2011 On-Call Contract. The District received two bids, and the lowest bidder was Boart Longyear of Milton, Washington, in the amount of \$202,968.90, including sales tax. Mr. French reported that the District has worked with Boart Longyear for a number of years and that the District has been happy with their services. Mr. Perry commented that this company is an international company and the District has worked with them successfully in the past. Mr. French asked that the Board consider moving this item to an action item and accepting the 2009-2011 On-Call Contract with Boart Longyear.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **amended** the agenda to add **Action Item # 5, 2009-2011 On-Call Emergency Pump & Motor Services Contract; Approval.**

Action Item #5, 2009-2011 On-Call Emergency Pump & Motor Services Contract; Approval: Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the 2009-2011 On-Call Emergency Pump & Motor Services Contract with Boart Longyear in the amount of \$202,968.90, including sales tax.

#2, Amendments to Resolution No. 90-434 Defining New Sewer Billing Codes for SS and BOD Limits: Commissioner Gibson asked to have this information item on the agenda as a result of a question from a customer. He suggested that the resolution be changed for commercial customer ratings. The District charges differential rates for commercial sewer customers based upon the strength of the waste stream discharge. Customers are included in categories designated as Standard Industrial Classifications based upon waste stream loading characteristics for "suspended solids" and "biological oxygen demand". The classification system is set forth in a 1990 resolution, a copy of which has been attached to this information item. Staff recommends that this system be evaluated and that the classifications be set forth in current versions of the sewer rate resolution. The Board recommended to put this matter on the next regular board agenda as a consent item for clarification of definitions for new standard classifications. The new resolution won't change the rates, but will make it more internally informative.

#3, 2009-2010 Information Systems Hardware/Software Upgrade: Mr. Dennis reported that in the summer of 2002, the Board approved the purchase of new Microsoft server operating systems, email and MS Office application suite. Since that time, new software purchases have been limited to those necessary for new machines, rather than replacement District-wide. He commented that seven years is at least two lifetimes in the software industry and after a certain time the publisher no longer devotes resources towards free on-going support of older software. The District's nightly backup is getting larger and taking almost an entire night to complete. Employees who are in early or out late are having problems retrieving their information because the backup is still running. Although not specifically included in the 2009-2010 budget, staff is also recommending implementation of a new technology called "virtualization" as part of this project. Mr. Dennis explained what virtualization means and all its benefits. Mr. Dennis broke down the estimated cost of the software, hardware and labor for an estimated total of \$155,000.00. The 2009-2010 budget already includes \$65,000.00 for software and hardware purchases, plus an additional amount for outside services sufficient to cover the estimated labor costs of \$20,000.00. The \$75,000.00 over the budgeted amount is almost entirely due to the replacement of the backup system and the implementation of the virtualization. Mr. Dennis reported that these estimates are on the high side, and that the total cost could be up to \$20,000.00 less. He reported to the Board that he wanted to present this plan to them and see if it is something they want to go forward with or hold off on. The Board asked Mr. Dennis to bring this item back before them as an action item at the next regular Board meeting.

STAFF REPORTS

Director of Finance/Information Systems: Mr. Dennis reported that there was a hardware failure at Lakota and it has been fixed. He also reported that the web payment program should be up and running next week, and as soon as customers receive their billing statements, they can use this new program.

Engineering/Water Manager: Mr. Bowman reported there was a mud slide down stream of the Lakota Plant above the beach line. The slide exposed part of the Lakota outfall pipe, and the District currently has geologists looking at it to evaluate. During the last storm, there was some settlement in a portion of the Howard Hansen Dam and some major fill in this area of the Dam will be needed. This will happen in stages and then checked for leaks. Because of this, Mr. Bowman isn't sure they will have full storage this season.

General Manager: Mr. Perry reported that it could be 2 to 6 years before the Howard Hansen Dam is completely repaired. Mr. Perry also reported that the District received information from FEMA, and Mr. Bowman will be meeting with them on the updated Hazard Mitigation Plan. The Department of Natural Resources has been asking if the District will be going forward with the Lakota WWTP Outfall Improvements Project. The Lakota WWTP Outfall Project Report indicates that it will cost somewhere between \$10-11 million dollars. The consultant and staff would like to explain this report to the Board. Mr. Perry reported that the

District had a permit violation at the Redondo Plant and measures have been taken to resolve the problem. Mr. Perry reported that he attended the ICS Action Plan meeting today.

General Counsel: Mr. Pritchett asked if there were any agenda items any one wanted addressed at the next Government Liaison Committee meeting scheduled for February 26, 2009. He gave a follow-up to the recent Supreme Court decision on fire hydrant maintenance. He met with the City of Federal Way to discuss a franchise agreement the City would like to enter into with the District. He will be conferring with another attorney on this for further review of the indemnity language. Mr. Pritchett reported that he sent a Memorandum to the Board regarding the House Bill 1897. This is the proposed assumption bill that the WASWD is running. He is having a legislative teleconference tomorrow on this matter. He reported that he and Carrie Peters met and they finished the last of the Personnel Policies. There is one minor change on the FMLA Policy and formatting that needs to be completed. Once this is finalized, he will present it to the Board and have them adopted by resolution. He reported that he will be working on setting meetings dates for public informational meetings on rate differentials at a couple of the elementary schools located in the affected area.

INFORMATION ITEMS

#4, Public Records Act Training: Due to the late hour, the Board would like to reschedule this training. Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **agreed** to have the Public Records Act Training during the Special Board meeting on February 18, 2009.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported that he met with the Risk Manager and Finance Director. He also reported that he attended the Safety and EMAC meetings and all is going well.

Commissioner Stewart reported that he attended a Safety meeting. He commented on the Code Red System and a brief discussion was held on the matter.

Commissioner Nowicki reported that he attended the EMAC meeting. He commented that a security camera is being installed at the Water Shop. Rich Fujimoto resigned as Safety Officer and asked for a replacement. He reported that he also attended the Operations meeting and everyone should have information in their packets on this. He thanked Mr. Pritchett for drafting a letter to the Union Representative, Jim Gower, about having students help in the maintenance of the conservation garden. He thanked staff for the response to Mr. Hershey on the billing system error and commented that he thought the staff handled it very well. He reported that he will attend the Government Liaison Committee meeting on February 26th.

Commissioner Gibson reported that he attended the Government Affairs meeting and that budgeting is a big concern. He attended the Chamber luncheon and was informed that the police

station is looking for applicants. He also attended the Economic Development meeting and public hearing on the 312th project.

EXECUTIVE SESSION

At approximately 8:22 p.m., the regular meeting was recessed in order to conduct an executive session for the purpose of reviewing the General Manager and General Counsel's performance. At 8:30 p.m. the executive session began and it was stated that the executive session would last approximately 30 minutes. At approximately 9:00 p.m. the executive session was extended 20 minutes. At 9:20 p.m., the executive session was adjourned and the regular meeting was reconvened.

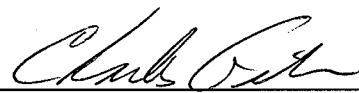
ACTION ITEM

Upon motion of Commissioner Stewart, which was duly seconded by Commissioner Nowicki, the Board unanimously **amended** the agenda to add **Action Item # 6, Add an Action Item to the Special Board Meeting on 2-18-09 to Set the 2009 Salaries for the General Manager and General Counsel.**

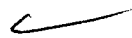
#6: Add an Action Item to the Special Board Meeting on 2-18-09 to Set the 2009 Salaries for the General Manager and General Counsel Upon motion of Commissioner Stewart, which was duly seconded by Commissioner Nowicki, the Board unanimously **agreed** to add an Action Item to set the 2009 salaries for the General Manager and General Counsel to the agenda for the Special Board meeting on February 18, 2009.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 9:25 p.m.

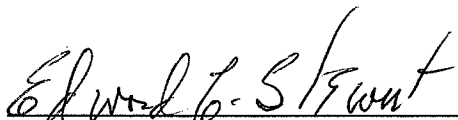


President Gibson




Yea Nay Abstain

ATTEST:



Vice President Stewart



Yea Nay Abstain

<u>ABSENT</u>	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
Secretary Tweddle			
<u><i>Donald A. Miller</i></u>	<u>✓</u>	<u>Nay</u>	<u>Abstain</u>
Commissioner Miller	Yea		
<u><i>Ronald S. Nowicki</i></u>	<u>✓</u>	<u>Nay</u>	<u>Abstain</u>
Commissioner Nowicki	Yea		