

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

REGULAR BUSINESS MEETING  
February 26, 2009

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on February 26, 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 Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **adopted** the minutes of the meeting of February 12, 2009 as presented.

APPROVAL OF AGENDA

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

CITIZEN COMMENTS

Charles R. Garner, of Federal Way, Washington reported that he was in attendance to follow-up on the possibility of having sewers installed around ULID 52. Mr. Garner asked about the definition of surface water and what the District considers to be surface water. Mr. Pritchett stated there is mostly likely a statutory term for surface water and gave the title of the Revised Code of Washington addressing storm water. Mr. Perry commented that the City of Federal Way has a surface water/storm water management facility, and that the District is responsible for sanitary facilities from homes and businesses that flow to our treatment plants. The onsite septic systems are monitored by the King County Health Department. Commissioner Gibson

commented that the person to contact at the City of Federal Way is Daniel Smith, and he provided Mr. Garner with Mr. Smith's phone number. Mr. Garner reported that he will let the Board know what he finds out, and asked to be put on the next Board agenda.

### CONSENT AGENDA

Commissioner Miller had questions about the descriptions on several items included in the vouchers and asked for better clarification on future voucher descriptions.

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 2/18/09, 2/19/09, 2/23/09, 2/25/09, and 2/26/09.

**Maintenance Fund No. 11-333-0510**

2/18/09 Voucher nos. 15697-15778, total amount of \$297,408.95;

2/25/09 Voucher nos. 15803-15858, total amount of \$143,569.54.

**Construction Fund No. 11-333-3510**

2/19/09 Voucher nos. 15779-15788, total amount of \$98,995.35;

2/26/09 Voucher nos. 15859-15871, total amount of \$145,470.79.

**Payroll – Fund No. 11-333-0530 02/23/09**

Warrants: \$ 1,707.02

Direct Deposits: \$ 174,236.08

Benefit Warrants: \$ 66,090.84

(voucher nos. 15789-15802)

Withholding/FICA \$ 73,099.33

Total Amount of: \$ 315,133.27

### ACTION ITEMS

**#1, 2009 Network Hardware & Software Upgrade:** Mr. Dennis reported that at the last meeting the Board directed him to obtain more exact estimates on prices before approval of an upgrade would be considered. The attached exhibit to this action item shows the estimated costs and attempts to rank the phases of the project in order of urgency. Mr. Dennis stated that the first upgrade that needs to take place right away is the backup system. He reviewed the exhibit with the Board and commented that as you move down the list the lower items are upgrades that the District can hold off on until a later date. He stated that the Office/Sharepoint software and network environment upgrade could possibly wait to the end of this year or next year, but suggested doing it all at once. Commissioner Nowicki commented that he would feel more comfortable approving the critical upgrades up to the \$125,000.00 total and then have the last

two upgrades on the Exhibit (Network Environmental Upgrade and Office/Sharepoint Software Upgrade) brought back before the Board for approval at a later date.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **approved** of the 2009 Network Hardware & Software Upgrade for the Back-up Hardware/Software, Gigabit Network Switches for Lakota, SQL Environment Upgrade and Estimated Labor in an amount not to exceed \$125,000.00, including tax.

**#2, OASIS Phase I: 2009-2010 Robinson, Noble & Saltbush Contract:** Tim Osborne reported that staff is seeking authorization from the Board to allow the General Manager to sign the OASIS Phase I 2009-2010 Robinson, Noble & Saltbush Contract in the amount of \$460,732.00. He provided the Board with a list of previous tasks that were completed, phased out or continued. Discussion was held on possible ways to extend this project out further. Mr. Bowman reported on the permit from the Department of Ecology (DOE) and that the District was trying to meet the permit schedule which would allow the District to do testing in 2010 and 2011. He further reported that the testing cannot be performed without completing the monitoring system, and that he could ask DOE for an extension of one or two years. Mr. Bowman commented that the OASIS building will be the most difficult financial hurdle, and that he believes the monitoring is reasonable to pursue at this time. Discussion was held on unit cost and the monitoring schedule. Mr. Osborne reported that some of the items on the list would be performed by District staff. Commissioner Gibson commented that it would be helpful to see the process more phased out. Discussion was held on what needs to be accomplished in order to keep the project moving forward. Discussion was held on the electrical building and other alternatives. Mr. Bowman reported that he would be coming back before the Board each time a well needs to be drilled. The Board postponed this action item and requested staff to bring this matter back before them at the next regular Board meeting with a matrix showing all components. Commissioner Nowicki asked if this is a project that could be delayed for a couple of weeks. Mr. Bowman reported the permit currently exists, and that he wasn't sure what form of approval for delay the District could get. He will follow-up on this. Commissioner Nowicki commented that he would like to know what those options are. Mr. Perry reported the District will make an attempt to get a two-year delay.

**#3, 2009-2013 I & I Collection System Rehabilitation Consulting Services (07-536):** Andy Wilt reported that the Board formally selected Brown & Caldwell Inc. as the most qualified firm for these services on May 8, 2008. Mr. Wilt introduced Jack Warburton and David Bergdolt of Brown & Caldwell Inc. who were attending the Board meeting. Mr. Wilt reported this was initially a two year project and that based on the proposed scope of the project, staff is requesting a service contract with Brown & Caldwell in the amount of \$2,180,402.00 for tasks over the next 48 months (2009-2013) as outlined in the attached Exhibit. Including cleaning, televising, flow monitoring, staff time and this contract, the overall project may cost approximately \$5 million to 6 million dollars total. Mr. Wilt reported the I & I problem has been brought before the Board in the past during big rain fall events when the Redondo Waste Water Treatment Plant flows were as much as 12 to 13 million gallons a day for peak flows. Discussion

was held on past permit violations when flows exceeded permit limits and the anticipated problems with the current system. Discussion was also held on illegal connections and how the District tests its system to find these. Mr. Yoder reported this project is the top project on his list, and that this service includes going in and inspecting all lines in the basin. He reported that doing this study will determine the condition of the lines and make the District aware of any infrastructure that needs to be replaced. Mr. Perry reported that we can exceed our capacity when we have high flow events.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board with Commissioners Nowicki, Gibson and Miller voting in the affirmative and Commissioner Stewart voting in the negative, **approved** the 2009-2013 I & I Collection System Rehabilitation Consulting Services (07-536) and authorized the General Manager to execute the contract.

**#4, 2009-2010 Gravel/Cold Mix Contract – Award:**

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the 2009-2010 Gravel/Cold Mix Contract with Lloyd Enterprise, Inc. in the amount of \$125,759.84, including tax, and authorized the General Manager to sign said contract.

**#5, Computer Maintenance Management System (CMMS):** Gene Yoder reported that at the last Board meeting staff presented cost information and discussed a phased implementation process with the Board. Exhibit A to this action item shows the different phases with a firm cost for Phase 1 – Site Assessment, and estimated costs for the remainder of the phases. To address the Board's concern regarding the in-house resource needs to implement the Program, staff has identified personnel to support the program. Currently, most of the data entry is already being accomplished utilizing several different programs. To organize this process, Dale Haase has been assigned as the Project Manager. His duties will include coordination of District staff and Pace Engineering, along with quality control and problem resolution. Labor hours are currently a rough estimate. The most difficult part of the whole system will be installation of it and downloading it into our system. Once this is completed, inputting is fairly simple. Discussion was held on PACE Engineering's past services with the District and City Works partnering with PACE.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **approved** the General Manager to initiate the contract with PACE Engineering Inc. in the amount of \$150,000.00, including tax, for full implementation of the Computer Maintenance Management System (CMMS)

INFORMATION ITEMS

**#1, 2009-2010 On-Call Diesel Generator Repair Services:** Gene Yoder reported that the District owns a number of generators throughout the District and there have been a few occasions where generators have failed and needed repair at inopportune times. When repair costs are estimated to exceed \$10,000.00, the District's purchasing procedure requires a service contract to be written and bid prior to completing the necessary repairs. That process can take weeks to months to complete. Having an emergency generator out of commission for an extended period of time leaves the District vulnerable to sewer overflows and/or difficulties in supplying water. In order to reliably service and repair the District's generators, staff is seeking a two-year service contract for an estimated amount of \$200,000.00 (\$100,000.00 year). The proposed contract has a set price/hour labor rate of \$98.00 and does not include materials. Materials would be purchased by the District and installed by the contractor, provided time allows for this to occur. Mr. Yoder reported that Rob Fish is the person who would go out with the contractor to oversee the repairs and make sure everything was done correctly. Mr. Yoder reported that Mr. Fish is very capable and has experience in this field. Discussion was held on workloads and maintenance of generators. Mr. Yoder reported that the District received one bid in January 2009 from Tacoma Diesel for a two-year service contract.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **amended** the agenda to add **Action Item # 6, 2009-2010 On-Call Diesel Generator Repair Services; Approval.**

**Action Item #6, 2009-2010 On-Call Diesel Generator Repair Services; Approval:** Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the General Manager to enter into a 2009-2010 On-call Diesel Generator Repair Services contract with Tacoma Diesel in an amount not to exceed \$200,000.00, including tax.

**#2, 2009-2011 Safety Training & Consulting Services:** Chris McCalib reported on the 2009-2011 Safety Training & Consulting Services information item. He reported that the District received three proposals and that Evergreen Safety Council received the highest overall rating. He asked that the Board consider moving this to an action item and authorize the General Manager to sign a contract in the amount of \$150,662.53.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **amended** the agenda to add **Action Item # 7, 2009-2011 Safety Training & Consulting Services; Approval.**

**Action Item #7, 2009-2011 Safety Training & Consulting Services; Approval:** Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **approved** the contract with Evergreen Safety Council in the amount of

\$150,662.53 for the 2009-2011 Safety Training & Consulting Services and authorized the General Manager to sign said contract.

#### COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki reported on the Local Hazardous Waste Management Program in King County presented by Jay Watson. Commissioner Nowicki commented that Mr. Watson can meet with the District if they are interested. He also mentioned that he attended the MUPAAC meeting yesterday.

Commissioner Gibson reported that he and Commissioner Nowicki attended the Government Liaison Committee meeting this morning and gave a brief overview of the meeting. He urged others to attend the upcoming Government Affairs meeting.

#### STAFF REPORTS

**General Counsel:** Mr. Pritchett reported on the public meeting arrangements for rate differential customers. Discussion was held on the difficulty in scheduling these meetings due to individual schedules and facility availability. It was determined that only two of the Commissioners (Commissioners Nowicki and Gibson) would be attending these meetings and it wouldn't require setting a special meeting. The Board would prefer to hold two separate meetings at elementary schools located near the affected rate payers.

Mr. Pritchett reported that Commissioner Miller informed him about regulation changes to the Voluntary Employee Beneficiary Association (VEBA) Plan that are to take affect in October of 2009. The change to the Plan, necessitated by a revision to the tax code, would no longer allow fund balances to be passed on to the member's heirs upon the member's death. Up until then, you were able to pass these unused funds to your heirs. Mr. Pritchett asked if the Board wanted to consider writing a letter to Adam Smith to request that the opportunity to pass Plan balances onto heirs remain. The Board asked Mr. Pritchett to draft a letter for them to sign at the next Board meeting to present to Adam Smith and Senators Murray and Cantwell.

Mr. Pritchett provided the Board and staff with a copy of a letter that he received from Northshore Utility District on cost for maintenance of fire hydrants. He and Morgan will attend a meeting next month on how other utility districts are approaching this matter.

Mr. Pritchett gave a brief overview of the weekly legislative teleconference he and Commissioner Nowicki attended.

**Director of Finance/Information Systems:** Mr. Dennis reported that the web payment is up and running and is working well.

**Engineering/Water Manager:** Mr. Bowman reported that the District will be sending out letters to homeowners near Mirror Lake about the drilling of Wells 34M and 35M. He reported that he met with Federal Way staff and attended the EOC training exercise. He commented that this exercise was performed very well and that it consisted of testing communications between the Department and EOC.

Mr. Bowman reported that he met with City staff at the park about making plans in April to do a set of plantings along the north property lines approximately 20 feet in width from resident's fencing.


He also reported that he met with the City on Well 15 stream crossing. Currently there is a culvert that goes under the access road, and the City would like the District to replace that pipe as it has been deteriorating. Mr. Bowman commented that he doesn't believe it is in imminent failure mode, but that it is definitely corroded. He stated it would cost close to \$100,000.00 for construction. He will inform the Board more on this matter as he gathers further information.


He reported that he met with the City of Edgewood to go over sewer project plans. He commented that the City of Edgewood does have funding and that the design is ready.

**General Manager:** Mr. Perry reported that Mr. McCalib has been in numerous meetings with South King Fire District and the City of Federal Way regarding the Digester Mixing Project. Next week Mr. McCalib will be meeting with both parties in the same room to discuss this further. He received a letter from Mr. Barovic who lives on 350<sup>th</sup> and Pacific Highway. He walked Mr. Barovic's property with Ken Canfield and spoke with Mr. Barovic about obtaining an easement across the first section of his property through 1<sup>st</sup> Avenue. Mr. Perry commented that he would like to look at the pump station site and check into acquiring an easement or purchasing the property. He would like to get an appraisal of the property as well. He offered to bring some of the Commissioners out to look at this property next week if they would like.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:50 p.m.

  
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President Gibson

  
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Yea

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Nay

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Abstain

ATTEST:

<u>Blank G. Stewart</u> Vice President Stewart	<u>✓</u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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<u>ABSENT</u> Secretary Tweddle	<u>        </u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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<u>Donald J. Miller</u> Commissioner Miller	<u>✓</u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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<u>Ronald E. Nowicki</u> Commissioner Nowicki	<u>✓</u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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