

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
September 10, 2009

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on September 10, 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 Englund 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	Secretary
Ronald Nowicki	Commissioner
Leonard Englund	Commissioner
Don Perry	General Manager
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel

APPROVAL OF AGENDA

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

CORRESPONDENCE

Copies of an email from a customer thanking the District and giving positive feedback on a water leak that was repaired was distributed to the Board and staff.

Copies of a letter dated August 13, 2009 from the City of Kent to Theresa Jennings of the Department of Natural Resources and Parks regarding the Water Utility Planning was distributed to the Board and staff. Mr. Bowman commented on the letter and the series of meetings with other water utilities, King County and the Department of Health. He reported to the Board that another meeting with King County will be set and he will continue to update the Board on these meetings.

CONSENT AGENDA

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

Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 9/2/09, 9/3/09, 9/8/09, 9/9/09, and 9/10/09.

Maintenance Fund No. 11-333-0510

9/2/09 Voucher nos. 17970-18029, total amount of \$65,322.51;
9/9/09 Voucher nos. 18053-18102, total amount of \$143,789.76

Construction Fund No. 11-333-3510

9/3/09 Voucher nos. 18030-18037, total amount of \$66,727.96;
9/10/09 Voucher nos. 18103-18108, total amount of \$29,320.12.

Payroll – Fund No. 11-333-0530 09/08/09

Warrants: \$ 446.52
Direct Deposits: \$ 197,400.88
Benefit Warrants: \$ 148,636.53
(voucher nos. 18038-18052)
Withholding/FICA \$ 81,813.53
Total Amount of: \$ 427,797.46

INFORMATION ITEMS

#1, Purchase of Sewer Flow Meters: Gene Yoder distributed a Quotation and Estimated Equipment Cost handout and a colored map of recommended flow monitoring locations to the Board and staff. He reported that the District currently has a contract with Brown and Caldwell to study I and I and that this purchase is to obtain nine (9) additional flow meters to compliment the five (5) meters the District currently has. The selected flow monitoring plan requires a minimum of twelve (12) flow monitoring locations at once. Adding nine (9) additional meters would allow for the twelve (12) required installations and two (2) meters for other strategic uses or for back-up purposes.

Mr. Yoder reported that the District currently uses Flo-Dar flow meters and software to monitor flows throughout the District. These meters and the related software were purchased after a very in-depth review of all the monitors on the market at that time. Bainbridge Associates, Inc. is the Northwest regional representative and is the only authorized dealer for Washington State. The request for this purchase includes the nine (9) flow meters, sensor cable, data logger, and everything else that is needed to install the meters. Mr. Yoder reported that money has already been budgeted for this purchase and that he met with the Finance Department for review prior to presenting this to the Board. Discussion was held on repairs and replacement of the flow meters and on the Lakota and Redondo system differences.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Englund, the Board unanimously **amended** the agenda to add **Action Item #1, Purchase of Sewer Flow Meters; Approval.**

Action Item #1, Purchase of Sewer Flow Meters; Approval: Upon motion of Commissioner Stewart, which was duly seconded by Commissioner Englund, the Board

unanimously **approved** the purchase of nine (9) new Flo-Dar flow meters and necessary accessories in the approximate amount of \$97,000.00, including tax, and authorized the General Manager to execute a contract with Bainbridge Associates, Inc for this purchase.

#2, Modification of Corrosion Control Treatment: Stan French reported that since 2002, the District has purchased liquid phosphate for the purpose of water treatment for corrosion control and to sequester iron and manganese. Earlier this year, increased costs for the purchase of phosphate as a corrosion control inhibitor resulted in staff re-evaluating the use of this chemical for corrosion control in favor of caustic soda for pH adjustment instead. In April of this year, the District received approval from the State Department of Health to make treatment modifications using caustic soda to meet optimal corrosion control requirements. With the proper equipment installed, the District can begin phasing out phosphate and phasing in caustic soda. Mr. French commented that he is not directing the removal of the phosphate equipment at the well sites just yet as the removal of manganese from water is not 100 percent efficient. There will still be small traces of manganese in the water and over time this will produce build up in the pipes. It will take longer, however, before this happens with the pH adjustment. Down the road there is the possibility that the use of lower levels of phosphate may need to be considered, so he doesn't want to remove the equipment all together.

Mr. French reported that the District has an existing contract with Northstar Chemical, Inc. for the purchase of caustic soda which is currently used at our treatment plants and at one well site that has previously required pH adjustment for corrosion control. The three-year contract with Northstar Chemical expires the end of this year, and he will be bringing this back before the Board after the end of the year for a new contract. The attached change order has recently been initiated for this contract with Northstar Chemical to provide an additional purchase amount of caustic soda for pH adjustment at three additional well sites (Wells 10, 10A and 18). Northstar Chemical has agreed to provide on-site storage tanks and delivery at no additional charge to the District. Mr. French reported that caustic soda is dangerous to work with and having Northstar Chemical provide the on-site storage tanks and delivery reduces the risk of employees coming into contact with it. If there is a problem with the tanks, Northstar Chemical will come out and repair them. Commissioner Nowicki asked if the price of caustic soda has been stable. Mr. French stated that by increasing our demand for caustic soda, the District will get the product for a cheaper price because of the quantity. Discussion was held on the various benefits of using caustic soda and that the elimination of phosphate would have a positive affect for the wastewater treatment plants.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Englund commented on the email from the customer with the water leak and that it is nice to receive this sort of feedback. He congratulated Mr. Yoder and his team for doing such a good job.

Commissioner Miller reported that he attended the Safety and EMAC meetings yesterday. He also reported on the IEMC training in Emmitsburg MD and commented that he felt very fortunate to have attended such a worthwhile training. He made further comment that the instructors were very complimentary of the Federal Way group and that they stated it was one of the better groups they had at the training.

Commissioner Gibson reported on the Economic Committee meeting he attended.

Commissioner Nowicki reminded the Board and staff that he will be at the WASWD Fall Conference next week and that Commissioner Miller will be attending the PNCWA Annual Conference next week.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that the 2008 District audit is scheduled to begin on September 29th and that the auditor will most likely be present in the Finance Department area through the month of October. Mr. Pritchett stated he echoed the comments made by Commissioner Miller about the IEMC training in Emmitsburg and that he thought it was an excellent training program.

He reported that after attending a meeting yesterday to discuss the IEMC training, Don Perry, Gene Yoder and he met with Brian Wilson, Interim City Manager for Federal Way, about working with the School District and SKFR to study a combined maintenance facility. He related to Mr. Wilson that he would pass this on to the Board tonight to see if there is any willingness to consider such a study. After much discussion, the Board asked that this be brought back as an information item on the September 24th Board Agenda.

Mr. Pritchett reported that he and Mr. Dennis have a meeting scheduled with Ed Cebron to look at the preliminary rate study and CFC study. He would like to plan for Mr. Cebron to be present at the second meeting in September or first meeting in October for discussions on rates. He commented that it isn't known at this time if an additional rate increase is needed beyond what was implemented by resolution.

Lastly, Mr. Pritchett reported that Resolution No. 2009-1133 to increase the petty cash amount was adopted at the last Board meeting and the title of "Administrative Secretary" was used to reference one of the employees authorized to approve checks. The person this is referring to is Lisa Alexander and her correct title is Legal Assistant/Board Clerk. He would like to have this mentioned in the minutes for clarification purposes. The Board agreed that the correct title should read "Legal Assistant/Board Clerk" in the place of "Administrative Secretary".

Engineering/Water Manager: Mr. Bowman reported that development staff is looking at the current fees and charges and that they expect to have some proposed increases. He also

reported that they lost Well 23 back in December and that it is now back on line and performing better than expected.

General Manager: Mr. Perry reported that he had the opportunity to speak to representatives for Pierce County today and that Pierce County expects to increase their sewer rates 2/3rds by increasing sewer rates \$4.00 each month for each of the next four (4) years. He commented that Pierce County rates do not reflect any rehabilitation of their collection system and that Pierce County has to go to nitrogen removal now. He also listened to the Department of Ecology communicating some of the things that may happen to King County and the District at some point on nutrient removal.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:20 p.m.

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

 _____ Vice President Stewart	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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 _____ Secretary Miller	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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 _____ Commissioner Nowicki	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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 _____ Commissioner England	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
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