

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

REGULAR BUSINESS MEETING  
September 24, 2009

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on September 24, 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	Secretary
Ronald Nowicki	Commissioner
Leonard Englund	Commissioner
Don Perry	General Manager
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

APPROVAL OF MINUTES

Commissioner Nowicki commented that the Minutes of August 27, 2009, page 3, needed to note that he also attended the site visit at the Snoqualmie Treatment Plant.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Miller, the Board **adopted** the minutes of August 27, 2009 and the minutes of September 10, 2009, as presented with the above noted amendment to the August 27, 2009 Board Meeting Minutes.

APPROVAL OF AGENDA

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

CONSENT ITEMS

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

1. Latecomer Agreements Approval; Resolution No. 2009-1134;
2. Charge in Lieu of Extension Approval; Resolution No. 2009-1135; and

3. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 9/15/09, 9/16/09, 9/17/09, 9/21/09, 9/22/09, and 9/23/09.

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

9/15/09 Voucher nos. 18109-18129, total amount of \$5,248.08;  
9/16/09 Voucher nos. 18130-18185, total amount of \$191,385.19;  
9/21/09 Voucher nos. 18195-18196, total amount of \$2,440.72;  
9/22/09 Voucher nos. 18197-18271, total amount of \$426,906.07.

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

9/17/09 Voucher nos. 18186-18194, total amount of \$131,511.81;  
9/23/09 Voucher nos. 18272-18279, total amount of \$113,577.79.

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

Warrants: \$ 2,043.34  
Direct Deposits: \$ 199,289.82  
Benefit Warrants: \$ 54,375.14  
(voucher nos. 18280-18293)  
Withholding/FICA \$ 83,063.48  
Total Amount of: \$ 338,771.78

INFORMATION ITEMS

**#1, City of Federal Way, Federal Way School District and SKFR Joint Maintenance Facility:** Mr. Pritchett reported he, Don Perry and Gene Yoder had a meeting with Brian Wilson and Cary Roe to discuss possible locations for a joint maintenance facility. The City of Federal Way, South King Fire and Rescue and the Federal Way School District have been discussing the possible benefits of jointly operating a maintenance/operations facility. The City has asked the District if it would be interested in participating in a study to determine whether sharing in a joint maintenance/operation facility would benefit the sewer and water utility. Mr. Pritchett reported that it is anticipated the study will be performed at a staff level and will not require any funding for consultants. Discussion was held on different site locations and whether the agencies could work cooperatively with one another while remaining independent. Mr. Perry commented that the District would have no interest in having other agencies maintain District equipment, but rather a joint interest in use of the facilities. Mr. Pritchett asked the Board if they would like staff to continue to attend meetings on this matter to look into the pros and cons of having a joint maintenance facility. The Board expressed an interest in looking into this matter further and have staff report back to them on it.

**#2, 2009 Control System Network Separation & SCADA Server Upgrade:** Howard Moreland reported on the SCADA Server Upgrade. He provided the Board and staff with two hand outs that consisted of the SCADA System Server Upgrade and SCADA/Control Network

spread sheet. Mr. Moreland reported that the District had a vulnerability assessment performed by HDR Security Operations in July of 2003. One of the recommendations following the assessment was to have the control systems separated from the business network to eliminate any security risk of outside external access into the Control Systems that operate the water distribution system, sewer pump stations and the wastewater treatment plants. Mr. Moreland commented that the District's business network has always been solid in security and has never been compromised from outside sources. Separating the two systems is currently recognized as a best practice for control systems networks design and operation. Systems Interface, the District's current on-call Instrumentation and Control Consultant, has designed the separation of the systems and the control system network and the SCADA system server upgrade that will be required to provide a secure and reliable network.

Mr. Moreland provided the Board with several reasons that support the creation of an independent Control System Network and an upgrade to the SCADA System Servers. Discussion was held on compatibility issues and the operating system for SCADA. Commissioner Englund expressed that he would like to see what the current system looks like, and Mr. Moreland stated he will schedule a date and time for him to look at the current system network. Mr. Moreland went on to review the spreadsheet further and explained how it was set out by task.

Commissioner Nowicki reviewed the figures in the handouts and a discussion was held on the total figures for the project. Mr. Perry suggested having a special meeting to go over this information item. Mr. Dennis commented that moving forward with the Control System Network Separation and SCADA Server Upgrade all at once leads to a big price tag, but if they start out in a more modest price range, it will require the District to do all this twice and will cost the District much more. Mr. Dennis also commented that when the two systems are separated, there will be less demands on IT time. Discussion was held on the pricing of specific equipment reflected in the spreadsheets and system support.

Mr. Moreland asked the Board if they would like to have Systems Interface meet with them to go over the design and answer any questions they may have. The Board asked to have Mr. Moreland set up a date and time to have Commissioners Nowicki and Englund meet with staff and Systems Interface to review the designs and answer questions. Mr. Moreland stated he would have this arranged within the next week.

#### COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Englund commented the he had a conversation with a rate payer a while back who had questions about water and sewer rates for a duplex. Commissioner Englund will provide the rate payers contact information and Mr. Pritchett will follow-up on this with the rate payer.

Commissioner Miller reported that he attended a conference for Clean Water Association last week in Boise, Idaho, and that he received some very useful information. Commissioner Miller gave a brief overview of the conference agenda.

Commissioner Nowicki reported that he attended the WASWD Fall Conference and was elected to serve on the WASWD Board. He commented that he would like to invite other Board members to WASWD's monthly Section meetings and to WASWD's Spring and Fall Conferences. He believes they provide very useful information and gives the opportunity to meet other water and sewer District Commissioner. Commissioner Miller commented he was very happy that Commissioner Nowicki was elected. Commissioner Nowicki also reported that he attended the MUPAAC meeting yesterday and gave an overview of the meeting. He reported there will be an Engineering and Planning meeting on Oct 7th at 9:00 a.m. on reclaimed water and I & I.

Commissioner Gibson reported that the Personnel Committee met and discussion was held on the lagging payroll matter for non-represented employees. Both unions have given employees three (3) days of sick leave to help cover the additional three (3) days pay that checks will be delayed for the lagging payroll. It is the Personnel Committee's recommendation that the same practice should be done for the non-represented employees. The Board consented that the non-represented employees should also be given three (3) days of sick leave to cover the lagging payroll period and asked that this be put on the next Board Agenda as a Consent Item. Commissioner Gibson also reported that the Insurance Committee met and reviewed the current claims. One of the claims involved a large water main break off of 38<sup>th</sup> Avenue on a Sunday morning. He received reports from some of the affected property owners that they were very happy with the District's response once they arrived, but that they had some concerns with the District's emergency phone system when reporting the break.

#### STAFF REPORTS

**General Counsel:** Mr. Pritchett reported that he will follow-up with staff about coming up with a better way to configure the District's emergency phone system. Mr. Dennis suggested looking into a service that is not automated and has a live person answering emergency call outs. Mr. Bowman reported that the current system works well with leaks, but that it can get quickly overwhelmed with a large volume of calls. Mr. Pritchett reported that Mr. Dennis and he met with Lynn Takaichi to review CFC calculations and gave the Board a brief overview of their meeting.

**Director of Finance/Information Systems:** Mr. Dennis reported that he would like to discuss scheduling a Finance Committee meeting in preparation for a presentation on rates. He commented that the District will need to make some hard budgeting decisions for 2010 and beyond, and that they will not be able to continue spending at the current level. He anticipates that next year will be worse on the water side because of bond payments, and that rate increases

may have to be made. He will make arrangements for the Finance Committee to meet sometime next week.

**Engineering/Water Manager:** Mr. Bowman reported that the Department of Health came out and performed a very thorough inspection of District facilities. This inspection is performed every five (5) years. He commented that they have not received a final report yet, and that he will let the Board know when they receive it. He reported on the meeting he attended with King County on the Comprehensive Plan approval process. Mr. Bowman discussed the problems he is having with Century Theater in getting them to comply with cross connection inspections.


Lastly, Mr. Bowman provided the Board and staff with a copy of a map showing a portion of a sanitary sewer easement to be released on property owned by Garagetown. He stated that Board recently approved an easement relinquishment settlement agreement with the City of Federal Way that would resolve these types of situations for City projects. The settlement agreement specifically addresses Lakehaven Utility District easements within the City of Federal Way projects, but doesn't address private projects. His recommendation for this particular case is to abandon the easement and give it to the City of Federal Way as right-of-way. He indicated that he would like to bring this matter back before the Board at the next regular Board meeting with the recommendation to move forward with abandonment of the portions of the easement identified in yellow as right-of-way.

**General Manager:** Mr. Perry reported on the DOE meetings that he attended in Olympia the past two days. He stated that the government's Green Initiative may benefit the District in that it would make several of the projects more affordable. He further commented that he would keep the Board informed on this matter.

Mr. Dennis added that the State Auditors will be at the District next week.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:49 p.m.

  
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President Gibson

\_\_\_\_\_  
Yea

\_\_\_\_\_  
Nay

\_\_\_\_\_  
Abstain

ATTEST:

Edward B. Stewart  
Vice President Stewart

Yea      Nay      Abstain

Donald L. Miller  
Secretary Miller

Yea      Nay      Abstain

Ronald E. Nowicki  
Commissioner Nowicki

Yea      Nay      Abstain

Harold D. Englund  
Commissioner Englund

Yea      Nay      Abstain