

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

REGULAR BUSINESS MEETING  
December 10, 2009

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

Charles Gibson	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

It was noted that Commissioner Stewart had not yet arrived; he was later excused from the meeting.

APPROVAL OF AGENDA

Commissioner Nowicki commented that he had suggested a change to some wording in the minutes of the November 19, 2009 Board meeting and shared his suggestion with the rest of the Board members.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board **adopted** the minutes of the November 19, 2009 Special Board meeting as amended.

APPROVAL OF AGENDA

Commissioner Gibson added an Executive Session to the agenda for the purpose of discussing potential litigation.

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

CONSENT ITEMS

Commissioner Nowicki commented on two vouchers and a discussion followed.

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 11/27/09; 12/01/09; 12/02/09; 12/03/09; 12/08/09; and 12/10/09.

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

11/27/09 Voucher no. 19079, total amount of \$61,448.49;  
12/01/09 Voucher nos. 18985-19006, total amount of \$2,683.52;  
12/02/09 Voucher nos. 19007-19073, total amount of \$122,337.75;  
12/08/09 Voucher no. 19095, total amount of \$99.75;  
12/09/09 Voucher nos. 19096-19185, total amount of \$272,141.64.

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

12/03/09 Voucher nos. 19074-19078, total amount of \$39,644.85.  
12/10/09 Voucher nos. 19186-19195, total amount of \$120,744.34.

**Payroll – Fund No. 11-333-0530 12/08/09**

Warrants: \$ 0.00  
Direct Deposits: \$ 203,651.94  
Benefit Warrants: \$ 148,295.02  
(voucher nos. 19080-19094)  
Withholding/FICA \$ 81,593.21  
**Total Amount of: \$ 433,540.17**

**#2, Street Lighting Proposal – Mirror Lake Estates; Resolution No. 2009-1142**, proposing a street lighting system for an area of the District known as Mirror Lake Estates, and fixing a date, time and place for a public hearing on the proposed street lighting system for January 14, 2010 at 6:30 p.m. at 31531 First Avenue South, Federal Way, Washington.

**ACTION ITEMS**

**#1, 2009 Control System Network Separation & SCADA Server Upgrade:** Howard Moreland, the District's Electrical/Instrumentation Technician – Lead, recapped that his staff, along with Information Systems staff, had met with Commissioner Englund and a design engineer from Systems Interface in October to discuss this project. Since that time, options have been reviewed; the current design is expected to provide a secure and reliable Control System Network that can be supported for the next ten years. Mr. Moreland stated staff was recommending moving forward with the entire project as a whole so the network would be completed and the PLC project can be pursued as well. There was information provided that included details of the actual individual project based on each site and server upgrade. A discussion followed as to timelines and other elements of the project. At the conclusion of the discussion, the Board considered this item.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Englund, the Board unanimously **authorized** staff to proceed with the 2009 Control System Network Separation and SCADA Server Upgrade project for a total project cost of \$408,079.89. Commissioner Englund thanked Mr. Moreland and other staff who took the time to meet with him.

**#2, 2009 Comprehensive Wastewater System Plan - Revision:** Andy Wilt, the District's Project Engineer, reported staff had received several comments; a summary of the comments and the District's responses were included in the agenda packets. He noted the replacement plan pages were also included in the agenda packet. The King County Counsel will address the plan in January, 2010. A discussion followed, after which the Board considered this item.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Englund, the Board unanimously **approved** Resolution No. 2009-1145 that formally adopts the District's 2009 Comprehensive Wastewater System Plan and authorizes and directs staff to implement its final approval.

**#3, Local Hazard Mitigation Plan:** Stan French, the District's Water Quality Production Engineer, reported that the public review of the plan has been completed and a discussion followed relative to the information provided in the three exhibits that were included in the agenda packets.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** Resolution No. 2009-1141, adopting a Local Hazard Mitigation Plan and superseding Resolution No. 2004-1015.

**#4, 2009-2010 Budget Amendment:** Morgan Dennis, the Director of Finance and Information Systems, reported this item has been presented to the Board at prior meetings and nothing had changed since the last presentation.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Miller, the Board unanimously **approved** Resolution No. 2009-1143, amending the 2009-2010 biennial budget.

**#5, 2010-2012 Water Sewer and Street Light Rates:** Mr. Dennis briefly reviewed the proposed revisions to the rates. He added that Lakehaven's water rates will be lower than neighboring utilities and sewer rates could be in the middle by comparison.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Englund, the Board unanimously **approved** Resolution No. 2009-1144, adopting water, sewer and street light rates and superseding Resolution No. 2009-1125.

**#6, Board Election of Officers:** Mr. Gibson began the discussion by recommending that in the future, new Board members move to an at-large position, instead of being eligible for an officer position. Commissioner Miller then nominated Commissioner Stewart as President, Don Miller as Vice President, Commissioner Nowicki as Secretary and Commissioners Gibson and Englund would serve as Commissioners at-large for 2010. Commissioner Englund seconded the nominations as proposed to which the other Board members concurred. The new positions will become effective at the first Board meeting in January, 2010.

**#7, Review and Adoption of Fees and Charges:** Mr. Pritchett reported the information provided in the proposed resolution was a culmination of a number of presentations to the Board and that the numbers presented reflect a sensible, defensible calculation of the amount of connection charges for sewer, water, and sewer collection-only accounts. He briefly reviewed the proposed changes that have been presented at prior meetings and a discussion followed.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **adopted** Resolution 2009-1139, authorizing the collection of fees and charges and establishing the description and implementation of such fees and charges and superseding Resolution Nos. 2008-1102 and 2008-1114.

Mr. Bowman noted that a revision of Policy 300-15 was briefly discussed at the last meeting relating to how substantial completion dollars are calculated. He added he would be bringing this item to the Board for discussion in January, 2010.

#### INFORMATION ITEMS

**#1, 2010-2012 BYO-GON Purchase Contract:** Chris McCalib, Wastewater Operations Manager, presented this item. The District has had a three year contract with the firm that sells this product for the purpose of reducing septic conditions in the collection system and minimizing hydrogen sulfide gas production. This is a sole source product and staff has been working with the supplier to renew the three year contract. A discussion followed about the various costs noted. Subsequent to the discussion staff requested that the Board move this item to action for consideration.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Miller, the Board unanimously approved **Action Item #8, 2010-2012 BYO-GON Purchase Contract Approval:** Upon motion of Commissioner Englund, which was duly seconded by Commissioner Miller, the Board unanimously authorized the General Manager to execute a three year contract with Process Product, LLC for the purchase of BYO-GON for the period of 2010-2012 in the amount of \$353,035.59.

### COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Englund stated he would like to attend the 2010 Washington Association of Sewer and Water Districts Commissioner workshop on January 23, 2010. Commissioner Gibson noted he would also like to attend. Commissioner Englund then distributed copies of a document about the Washington State Open Government Conference being held in January, 2010 and sponsored by the Washington Coalition for Open Government and stated he would also like to attend this event. It was the consensus of the Board for him to attend. He added he would report back to the Board on both of these meetings.

Commissioner Miller stated he had attended both Safety and EMAC meetings. He then stated the REWARDS program was wonderful.

Commissioner Nowicki also commented he felt the REWARDS program was very good and thanked staff who had a part in the preparation. He also reported he would be attending a Metropolitan Water Pollution Abatement Advisory Committee meeting the next week as well as a Washington Association of Sewer and Water Districts meeting. He then reported he would be gone from December 27<sup>th</sup> to January 17<sup>th</sup>, 2010 and would miss the January 14<sup>th</sup>, 2010 Board meeting. Lastly, he reported that the Board Operations Committee had recently met. Mr. Bowman distributed notes from that meeting to the Board.

Commissioner Gibson reported he had attended a Government Affairs meeting and briefly described the topics that were discussed. He then stated he felt the REWARD Committee had done an excellent job and provided his thanks on behalf of the Board. Commissioner Englund added he felt the REWARDS ceremony was fabulous; he added he had never attended such a ceremony where everyone was introduced and comments were made about what they bring to the table through their work. He said it was an education for him and he was very impressed. He also commented he felt all the speakers had done a great job; he is looking forward to next year's ceremony. He added that several staff thanked him and he was humbled by that.

### STAFF REPORTS

**General Counsel:** Mr. Pritchett thanked the Board for providing the impetus for the REWARDS Program. He felt the committee did a great job and it was an excellent event. He then announced that there was an Administration Holiday lunch the next Wednesday and invited the Board and their spouses to attend. Mr. Pritchett next stated there were two letters for Board consideration. One was addressed to Senator Patty Murray and was in support of Senator Cantwell's amendment to the Senate Health Care bill as it relates to HRA/VEBA. The other letter was for Commissioner Gibson's signature and was addressed to a District rate payer who had expressed concerns with back billing on her account. The letters were then distributed for signatures. Mr. Pritchett then announced that Lisa Alexander, the Board Clerk, would be

returning the next week and would be working part time for the rest of the month and might be back full time by January, 2010. He thanked Linda Mogensen for filling in for her.

**Director of Finance/Information Systems:** Mr. Dennis reported the exit conference was held with the state auditor and the District received a clean audit report. Commissioner Gibson congratulated Mr. Dennis and his staff for a job well done. Mr. Dennis thanked him and acknowledged his staff as well. He added that much of the work the Board saw from Kennedy Jenks, Consultants was provided by Edith Lemieux, the District's Accounting Manager. He went on to state he felt 2009 has been a really good year and he very much appreciated the support of the Board.

**Engineering/Water Manager:** Mr. Bowman thanked the Board for providing the REWARDS Program. He added he had received several positive comments from staff; it was a great program, was well received and took a tremendous effort, which was appreciated. He then reported he and Gene Yoder, the District's Field Operations Manager, had met with representatives from the City of Federal Way regarding the franchise and some other issues relating to coordinating road projects. He next reported on an item included in the notes from the Board Operations Committee meeting. A meeting was held with the Army Corp of Engineers representatives. They will be sending a letter to the Second Supply Partners to ask for participation in the cost of permanent repairs to the Howard Hanson Dam. He discussed the estimated cost for the permanent repairs and the District's proposed level of participation. He stated he would keep the Board informed as this develops.

**General Manager:** Mr. Perry echoed staff's thank-you to the Board for the REWARDS Program and added he also had received several positive comments from employees. He added he felt it was a positive thing for the Board and staff to be able to see and meet one another as a number of staff is unaware of the duties of other employees. He then reported that King County has provided a brochure on what their capital connection sewer rates will be in 2010. The brochure indicates that people should contact their local utility for questions about their monthly operations and maintenance bill. Mr. Perry then wished everyone a happy holiday.

#### EXECUTIVE SESSION/CLOSED SESSION

At approximately 7:50 p.m., the regular meeting was recessed in order to conduct an Executive Session for the purpose of discussing potential litigation. It was stated that the Executive Session would last approximately 10 minutes. At approximately 8:00 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 8:01 p.m.

<u>Charles Gibson</u> President Gibson	<u>✓</u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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ATTEST:

<u>NOT PRESENT</u> Vice President Stewart	<u>        </u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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<u>Donald L. Miller</u> Secretary Miller	<u>✓</u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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<u>Thomas E. Nowicki</u> Commissioner Nowicki	<u>✓</u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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<u>Kevin D. England</u> Commissioner England	<u>✗</u> Yea	<u>        </u> Nay	<u>        </u> Abstain
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