

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
April 8, 2010

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on April 8, 2010 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

President Miller 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:

Donald Miller	President of the Board
Leonard Englund	Secretary
Charles Gibson	Commissioner
Edward Stewart	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 Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **excused** Commissioner Nowicki from the meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **adopted** the minutes of March 11, 2010, as presented. Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board, with Commissioners Miller, Englund and Gibson voting in the affirmative and Commissioner Stewart abstaining, **adopted** the minutes of March 16, 2010, as presented.

APPROVAL OF AGENDA

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

The Board commented on the new rain garden in front of Lakehaven Center. They expressed how nice the landscaping surrounding it looks, and that it serves a great purpose in collecting the water run-off from the building. The Board gave special thanks to Paul Stoermer for creating the rain garden.

CORRESPONDENCE

Mr. Pritchett commented on the letter he drafted to Venture Bank regarding terms and conditions of the Substantial Completion Agreement that require completion of improvements to the water and sewer system by July 26, 2010.

CONSENT ITEMS

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

Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 3/16/10, 3/17/10, 3/18/10, 3/25/10, 3/26/10, 3/30/10, 3/31/10, 4/1/10, 4/6/10, 4/7/10, and 4/8/10.

Maintenance Fund No. 11-333-0510

3/16/10 Voucher nos. 20142-20146, total amount of \$2,801.50;
3/17/10 Voucher nos. 20147-20228, total amount of \$168,595.37;
3/25/10 Voucher nos. 20232-20280, total amount of \$233,782.85;
3/26/10 Voucher no. 20303, total amount of \$58,319.30;
3/30/10 Voucher no. 20304, total amount of \$1,407.49;
3/31/10 Voucher nos. 20305-20372, total amount of \$209,452.34;
4/6/10 Voucher nos. 20376-20402, total amount of \$2,543.72;
4/7/10 Voucher nos. 20403-20460, total amount of \$74,471.89.

Construction Fund No. 11-333-3510

3/18/10 Voucher nos. 20229-20231, total amount of \$7,485.93;
3/26/10 Voucher nos. 20281-20288, total amount of \$34,456.52;
4/1/10 Voucher nos. 20373-20375, total amount of \$26,159.87;
4/8/10 Voucher no. 20461, total amount of \$4,426.00.

Payroll – Fund No. 11-333-0530 3/26/10

Warrants: \$ 3,090.21
Direct Deposits: \$ 200,123.03
Benefit Warrants: \$ 58,720.98
(voucher nos. 20289-20302)
Withholding/FICA \$ 84,260.84
Total Amount of: \$ 346,195.06

ACTION ITEMS

#1, Vehicle Purchase 2010: Gene Yoder reported on the requested vehicle purchases for 2010. After assessing the condition of current fleet, staff found several vehicles that are in need

of replacement. Staff is requesting to purchase the four vehicles identified in the attached Exhibit. Discussion was held on the accessories for these vehicles and what purpose they serve. Discussion was also held on the research performed prior to deciding on the replacement vehicles. Discussion was held on the current status of acquiring a new vacuum truck that staff has been working on for the past several months.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the purchase of four (4) vehicles in an amount not to exceed \$100,000.00, including tax.

#2, Board Meeting Schedule: Commissioner Miller reported that he and Commissioner Nowicki will be unable to attend the meeting on April 22nd. It was the consensus of the Board to keep with the original schedule and hold the regular meeting on April 22nd. The Board suggested setting a special meeting for April 15th at 1:30 p.m. to discuss financing for the Green River Filtration System, commending Al LeBlanc for his years of service to the District, and to have Information Item No. 3, Lakota Water to Water Heat Pump Analysis, heard .

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **approved** setting a special board meeting on April 15, 2010.

#3, GIS/Maintenance Software License Renewal: Morgan Dennis reported that when the District started the GIS project in 2004, the District paid for a specific number of licenses for specific District employees. Now that the Computerized Maintenance Management Project has progressed to the point where it will begin to be integrated with the GIS, there will be several more employees who will be interacting with the system, and it is more efficient to purchase an enterprise-wide license. The enterprise license includes all Environmental Systems Research Institute (ESRI) products and allows the capability of installing software in as many workstations for as many employees as deemed necessary for the project. Discussion was held on the impact of having limited access. Mr. Dennis reported that the attached contract runs for three years, with an annual license fee of \$26,250.00, plus tax, which is approximately double that of prior years.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the 2010-2013 ArcGIS Software User License Purchase (10-973) with ESRI, Inc., in the total amount of \$86,231.25, including associated taxes, to be paid over three years.

INFORMATION ITEMS

#1, 2010-2013 Water Operations Caustic Soda Purchase: Stan French reported that beginning in 2002, Water Operations has contractually purchased liquid sodium hydroxide (caustic soda) for the purpose of treating raw ground water to raise the pH of drinking water to meet federal and state standards for optimal corrosion control under the Lead & Copper Rule. The District has an existing contract with Northstar Chemical Inc. for the purchase of caustic

soda that expires on June 30, 2010. Request for proposals for a new 2010-2013 purchase contract for caustic soda was advertised on March 10th & 17th, 2010. Only one responsive bid was received from Northstar Chemical Inc in the amount of \$254,094.75, including tax, for the new purchase contract. The other bid holder, Jones Chemical, did not provide a bid amount because they cannot provide delivery service as required in the bid specifications. Mr. French explained the dangers of handling caustic soda and the need to have deliveries of caustic soda handled by the delivery company and not District employees. Staff has reviewed the submitted bid from Northstar Chemical Inc. and considers their proposal acceptable for both price and service.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **amended** the agenda to add **Action Item #4, 2010-2013 Water Operations Caustic Soda Purchase; Approval.**

Action Item #4, 2010-2013 Water Operations Caustic Soda Purchase; Approval:
Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the proposal from Northstar Chemical Inc., and authorized the General Manager to execute a contract for \$254,094.75, including tax, for the 2010-2013 purchase of caustic soda.

#2, 2010 Tank No. 3 Water Mixer Purchase: Stan French reported that in 2004, the State of Washington Department of Health (DOH) completed a Water System Sanitary Survey of the District which identified water quality issues in some of our water storage tanks caused by stratification and loss of disinfectant residual. DOH recommended that the District investigate retrofitting targeted storage tanks that exhibit this problem with devices that will mix stored water to help eliminate stratification and water quality deterioration. The District's 2008 Comprehensive Water System Plan includes a capital improvement project to pilot "Water Storage Tank Mixing" and the budget currently has \$100,000.00 allocated for this CIP project through the year 2011. Staff completed an evaluation of various options available for modifying storage tanks for water mixing, and the PAX Water Technologies, Inc. vortex design water mixer was selected as the best option for a pilot project. Mr. French then provided a handout to the Board and staff of Tank 3 Temperature Log (May 16 – August 5, 2008) and Free Chlorine Residuals (2003-2007). Mr. French reviewed the graphs with the Board and gave explanations to questions. He reported that beginning in 2008, Tank 3 was targeted for initial pilot mixing and, during a 12-month period, the tank was closely monitored to collect data on changes in water temperature and chlorine residual decay due to stratification as part of the pilot project. Mr. French then directed the Board and staff to review Exhibit B, the proposed 2010 Tank No. 3 Water Mixer Purchase Agreement with PAX Water Technologies, Inc to have a water mixer installed in Tank 3 for a six (6) week trial period at a cost of \$5,721.38, including tax. He commented that the purpose of the contract is to install a special device at the base of the tank, to create a swirling in the tank to get water in a vortex motion that will draw water from the top down and mix internally with the water. The tank will not have to be drained to install the device. Should the pilot water mixer not meet the performance metrics as established by the contract specifications, the water mixer, associated parts, and/or supplies will be removed from

Tank 3 at no additional cost to the District. Mr. Bowman commented that the City of Kent is testing the same technology as well. Discussion was held on the need to run electricity to the tank and that the motors are run by low amperage electricity. Discussion was held on the testing procedures that will be used to monitor the unit's effectiveness. Mr. Bowman reported that they have been looking at these types of units over the past year and that it would be a commitment to purchase if the unit passes the testing phase. Discussion was held on time frames in ordering the unit and length of time for installation.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **amended** the agenda to add **Action Item #5, 2010 Tank No. 3 Water Mixer Purchase; Approval.**

Action Item #5, 2010 Tank No. 3 Water Mixer Purchase; Approval: Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the propose contract agreement with PAX Water Technologies, Inc. for the 2010 Tank No. 3 Water Mixer Purchase, based on a trial period for 6-weeks, in the amount of \$38,352.38, including tax, and authorized the General Manager to execute the contract.

#3, Lakota Water to Water Heat Pump Analysis: This item was moved to be heard at the Special Meeting on April 15, 2010.

#4, South 352nd Street Extension Project (SR 161 to SR 99) ILA: John Bowman reported that the City of Federal Way is preparing for construction of a new three-lane roadway to complete the connection between Pacific Highway South and Enchanted Parkway at South 352nd Street. He then reviewed the map on Exhibit A with the Board. He reported that while the City has not yet secured funding and right-of-way for the improvements, the City would like to have bid-ready contract documents in anticipation of funding. He commented that he doesn't expect any changes to come back from the City on the Interlocal Agreement (ILA). The Board commented that they would like this matter put on the April 22nd, 2010, agenda as a consent item.

#5, Franchise Agreement with City of Federal Way: Steve Pritchett reported on the current status of the Franchise Agreement with the City of Federal Way. The current schedule is for this Agreement to be presented for approval at the next City Council meeting on April 20th. If it is approved by the City on the 20th, he would anticipate that a resolution will be drafted for adoption at our next regular Board Meeting on April 22, 2010, to adopt the Franchise Agreement.

#6, Pierce County Basin Plan Review Committee: Mr. Bowman reported he received a letter from Pierce County asking to submit representatives on the Pierce County Basin Plan Review Committee. Commissioner Miller commented that he can attend meetings on behalf of the District for this Committee. Mr. Bowman reported that the letter indicated the Committee would advise the Planning Commissioner, the Council, and the Executive on matters relating to

proposed amendments, revisions, creation and/or repeal of sewage and/or water general plans prepared for any of the drainage basins in Pierce County. Mr. Bowman suggested that Commissioner Miller be appointed as Lakehaven's representative on the Plan Review Committee, with the General Manager, Don Perry, to serve as the alternate representative, and the Project Engineer, Andy Wilt, as the backup.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported on the Des Moines Leadership Summit on April 10th. Commissioner Englund reported that he will attend this event and report back to the Board.

Commissioner Gibson attended the City of Federal Way Council meeting and reported that the Franchise Agreement was passed on for approval at the next meeting.

STAFF REPORTS

General Counsel: Mr. Pritchett reported on exchanges of correspondence between Commissioner Nowicki and King County regarding the King County Investment Pool and Cash Management Agreements. Mr. Pritchett reported that he has prepared a letter for the Board President to sign to make sure the County is aware that it is the Board's intention to be bound by the Agreements and that they accept them as submitted. He asked the Board to review the proposed letter and, if acceptable, he will have the Board President sign the letter to Ken Guy, Director of Finance and Business Operations Division of King County. It was the consensus of the Board to have the letter signed by the Board President and sent out.

Mr. Pritchett reported that staff brought up the idea of having a park bench engraved with Bev's name and years of serving on the Board for the dedication of the Water Conservation Garden to Bev Tweddle. The Board expressed their interest in the idea of having an engraved park bench for the dedication.

Director of Finance/Information Systems: Mr. Dennis gave an update on the leased capacity program and reported that Development Service staff continues to work their way through the list of properties to review. Mr. Dennis indicated by the week of April 19th, it might be worthwhile to review this information with the Finance Committee. He reported that the Panther Lake Development has requested representatives from the District attend a homeowners meeting on April 19th to answer questions about leased capacity charges. Mr. Dennis suggested that one of the Board members attend this meeting as well. Commissioner Englund volunteered to attend the meeting.

Engineering/Water Manager: Mr. Bowman reported on the fencing issue for the Lakota property. He received correspondence from the Federal Way Police about kids entering other properties through the Lakota property and was asked by the Police Department to possibly construct something on our property to help prevent access. Mr. Bowman presented the Board

with a map of the Lakota property and where it borders other properties. Discussion was held various ways to prevent access and the different costs associated. Discussion was held on looking at a vegetative solution to detour such activities. Mr. Bowman commented that he will report back to the Board on this matter after assessing it further.

Mr. Bowman reported that King County is moving towards approval of the wastewater treatment plant. He also reported that the motor for Well 33 quit working and that staff found a replacement in Spokane, and it is working fine now. He reported on the broken piezometer tube in Well 36M and the challenges with DOE as a result.

General Manager: Mr. Perry had nothing to report.

EXECUTIVE SESSION/CLOSED SESSION

At approximately 8:30.p.m., the regular meeting was recessed in order to conduct an executive session pursuant to RCW 42.30.110(1b) for the purpose of discussing property acquisition. It was stated that the executive session would last approximately 15 minutes. At approximately 8:45 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 8:45 p.m.

Donald L. Miller
President Miller

✓
Yea

Nay

Abstain

ATTEST:

Absent
Vice President Nowicki

Yea

Nay

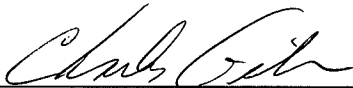
✓
Abstain

Ronald D. Englund
Secretary Englund

✓
Yea


Nay

Abstain



Commissioner Gibson

Yea Nay Abstain



Commissioner Stewart

Yea Nay Abstain