

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

REGULAR BUSINESS MEETING  
May 13, 2010

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on May 13, 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
Ronald Nowicki	Vice President of the Board
Leonard Englund	Secretary
Charles Gibson	Commissioner
Edward Stewart	Commissioner
Don Perry	General Manager
Steve Pritchett	General Counsel

APPROVAL OF MINUTES

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board, with Commissioners Englund, Gibson, Miller and Stewart voting in the affirmative and Commissioner Nowicki abstaining, **adopted** the minutes of April 8, 2010 as presented. Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **adopted** the minutes of April 15, 2010 as presented. Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board, with Commissioners Englund, Gibson and Stewart voting in the affirmative and Commissioners Nowicki and Miller abstaining, **adopted** the minutes of April 22, 2010, as presented.

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 Gibson, the Board unanimously **approved** the Consent Items as presented below.

Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 4/27/10, 4/28/10, 4/29/10, 4/30/10, 5/5/10, 5/6/10, 5/11/10, 5/12/10, and 5/13/10.

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

4/27/10 Voucher nos. 20644-20668, total amount of \$3,417.87;  
4/28/10 Voucher nos. 20669-20729, total amount of \$273,944.88;  
4/30/10 Voucher no. 20733, total amount of \$60,194.41;  
5/5/10 Voucher nos. 20734-20777, total amount of \$170,242.60;  
5/11/10 Voucher nos. 20795-20799, total amount of \$5,379.81;  
5/12/10 Voucher nos. 20800-20861, total amount of \$101,086.08.

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

4/29/10 Voucher nos. 20730-20732, total amount of \$10,641.62;  
5/6/10 Voucher nos. 20778-20779, total amount of \$70,650.27;  
5/13/10 Voucher nos. 20862-20865, total amount of \$63,639.98.

**Payroll – Fund No. 11-333-0530 5/11/10**

Warrants: \$ 0.00  
Direct Deposits: \$ 198,525.63  
Benefit Warrants: \$ 151,063.61  
(voucher nos. 20780-20794)  
Withholding/FICA \$ 83,030.53  
Total Amount of: \$ 432,682.07

**ACTION ITEMS**

**#1, 2010-2012 Ferric Chloride Purchase:** Don Perry reported that this action item is brought before the Board for the purchase of Ferric Chloride for two District wells. Northstar Chemical, Inc. of Tacoma, Washington, was the only vendor who submitted a bid proposal.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the contract with Northstar Chemical, Inc. in the amount of \$31,043.26, including sales tax, for the acquisition of ferric chloride over the next 2-year period and authorized the General Manager to execute said contract.

**#2, Board Meeting Schedule:** Steve Pritchett reported that the Water Conservation Poster Contest Awards Ceremony will be held during the June 10, 2010 Board meeting, and that the Board may want to consider setting a special meeting at 5:30 p.m. on this date for dedication of the Water Conservation Garden to Beverly J. Tweddle. He also handed out a proposal for the plaque for the garden dedication.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** setting a special meeting on June 10, 2010 at 5:30 p.m. to dedicate the Water Conservation Garden to Beverly J. Tweddle.

### INFORMATION ITEMS

**#1, Redondo Co-Generation:** Chris McCalib reported that over the past year, he has brought this project before the Board in various stages. Staff has investigated the possibilities of installing Stirling engines to utilize Redondo's digester waste gas to make power and recover heat. Maintaining the existing equipment costs an average of \$13,000.00 per year and the costs are increasing due to the equipment's age and condition. Replacement of the boiler equipment has been budgeted in current and past CIP budgets. When the original boiler was installed, safety design guidelines per NFPA 820 were not yet enacted. Estimates by consultants indicate the cost of the additional building modifications would equal or exceed the costs of the Stirling Co-Generation project. In 2002, McGowan Broz Engineers conducted an engineering study and cost estimate to utilize digester gas at both the Redondo and Lakota plants. Mr. McCalib then identified changes from the 2002 study with the current study. Discussion was held on out-of-pocket costs to fund this project and funding requirements for the PSE Conservation Grant and Federal Funding Grant. Further discussion was held on the life cycle of the equipment. Mr. McCalib gave an overview of all the research staff has put into this project. Discussion was held on using the current boiler as a back-up unit for hot water.

Mr. McCalib introduced Benny Benson, consultant from ENERGYneering Solutions, Inc. Mr. Benson gave a brief overview of the company and then gave a presentation on Stirling engine technology and their expertise in the renewable energy field.

Discussion was held on recovered gases and loss of energy. Mr. McCalib reported that he will put together a flow chart of costs and payback information, which will include a monthly cash flow and time line, for the Board to review.

**#2, Managing Infiltration/Inflow from Private Side Sewers – Policy Considerations:** Andy Wilt introduced representatives from Brown and Caldwell. Jack Warburton of Brown and Caldwell gave a presentation on Managing Infiltration/Inflow from Private Side Sewers. Discussion was held on the legal authority to enforce or create policy on improving sewer system use. Don Perry mentioned NPDE compliance regulations for I & I.

**#3, I & I Study – Side Sewer Rehabilitation Methods:** Bob Jacobsen of Brown and Caldwell gave a presentation on Side Sewer Trenchless Rehabilitation methods.

The Board thanked Brown and Caldwell for the presentations.

### COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Englund reported that Commissioner Gibson, Steve Pritchett, Carrie Peters and he attended the AWC conference in Yakima, and that he found it to be very informative.

Commissioner Miller reported on the AWWA conference he attended. He also reported that the Safety and EMAC meetings have been moved to next week on May 19<sup>th</sup>.

Commissioner Gibson reported on the AWC Employment Law Conference and commented that our HR Department will be greatly affected by all the legal changes coming in the next year. He felt it was a very good conference overall. He also reported that the Insurance Committee met with representatives of the Water and Sewer Risk Management Pool. He commented that he was appointed to the Board of Friends of the Hylebos.

### STAFF REPORTS

**General Counsel:** Mr. Pritchett reported he has been contacted by a lease consultant on behalf of AT&T expressing an offer to enter into a rent guarantee period in exchange for lowering current rent. The Board expressed the position that AT & T could exercise the clause to remove their cell sites if they so choose, but the District will not agree to a lease amendment.

Mr. Pritchett reported that 343 water conservation posters have been received to date and that judging of the posters will take place next week.

He also reported that he would like to have a closed session during the Board meeting on May 27<sup>th</sup> to go over union negotiation preparation.

He next reported that he met with representatives of the Water and Sewer Risk Management Pool and gave an overview of the meeting.

**General Manager:** Mr. Perry handed out a Filtration Treatment Project Financing Plan. He commented that the District was originally told that it could cash flow the estimated costs. The current financing agreement, however, does not provide for this. Mr. Perry reported that there is a meeting scheduled for Tuesday, May 18th on this matter and he will be reporting that this Financing Plan is different than what was originally agreed to.

Mr. Perry reported that both the Lakota Water to Water and Co-generation Projects were submitted to the Public Works Trust Fund. He also reported on a very preliminary comment from the City of Edgewood asking if Lakehaven has an interest in buying their sewer system.

He also reported on the benefit charge South King Fire & Rescue is offering and how it could negatively impact the City, School District and Lakehaven.

### EXECUTIVE SESSION

At approximately 8:45 p.m., the regular meeting was recessed in order to conduct an executive session pursuant to RCW 42.30.110(1) (i) for the purpose of discussing potential litigation. It was stated that the executive session would last approximately 10 minutes. At

approximately 8:53 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 8:53 p.m.

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

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