

LAKEHAVEN WATER AND SEWER DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
January 10, 2019

A regular meeting of the Board of Commissioners of the Lakehaven Water and Sewer District, King County, Washington, was held on January 10, 2019 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 McClain to lead the flag salute. Members/officials present were as follows:

Donald Miller	President
Peter Sanchez	Vice President
Leonard Englund	Secretary
Ron Nowicki	Commissioner
Timothy McClain	Commissioner
John Bowman	General Manager
Morgan Dennis	Director of Finance/Information Services
Ken Miller	Engineering Manager

APPROVAL OF MINUTES

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the Board minutes of November 28, 2018 and December 12, 2018.

APPROVAL OF AGENDA

Commissioner Nowicki requested that an executive session be added to the agenda to evaluate the General Manager and General Counsel's performance.

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

Commissioner Nowicki introduced Judi Gladstone, new Executive Director of WASWD. Ms. Gladstone introduced herself to the Board and staff and asked District staff and Board to call upon WASWD for service.

CITIZEN COMMENTS

Mark Spaur addressed the Board about the City of Federal Way's Determination of Non-Significance received from the District for a new 230 home development in the Hylebos creek area. He addressed his concerns about the District being able to service these new homes. John

Bowman informed Mr. Spaur that the District is capable of providing service to this number of homes without it affecting its water supply.

Commissioner Nowicki mentioned to the Board that he would like to re-visit approval levels and purchasing levels for District staff.

CONSENT ITEMS

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

1. Payment of the accounts payable, ACH transaction fees and payroll transactions as listed in the consent item in the total amount of \$2,390,541.67.
2. 2018 Lakota Interim Digester Pumped Mixing Project (18-1382) Final Acceptance.

ACTION ITEMS

#1, 2018 Well 7 Cleaning & Rehabilitation Project – Change Order No. 1: Stan French reported that a contract with Holt Services Inc. was authorized in October of last year for cleaning and rehabilitation work at Well 7 at a cost of \$26,950.00. During cleaning, deficiencies in the concrete wellhead pedestal and upper casing were identified, along with other work necessary to restore a proper sanitary seal and meet well construction standards. Change Order No. 1 with Holt Services, Inc. provides for the cost of additional repairs of the concrete wellhead structure, upper casing and installation of a steel sole plate for Well 7 at a cost of \$4,081.00, including sales tax.

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board unanimously **approved** Change Order No. 1 with Holt Services, Inc. in the amount of \$4,081.00, including sales tax, for the 2018 Well 7 Cleaning & Rehabilitation Project.

#2, 2019–2022 Sodium Bisulfite Purchase: Randy Martinez reported that the current 3-year contract for sodium bisulfite is set to expire on January 31, 2019. Staff advertised for the 2019-2022 Sodium Bisulfite Purchase contract, which included an option to extend the contract for up to three additional years, back in October and November of 2018. Two responses were received, with one bidder, Univar USA, Inc., submitting a “No Bid” response and Northstar Chemical, Inc., submitting a responsive bid of \$268,950.00, including sales tax and freight. Discussion was held on approving this with the option to extend for an additional three years.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Sanchez, the Board, with Commissioners Sanchez, Englund, McClain and Miller voting yes, and Commissioner Nowicki voting no, **approved** the General Manager to execute the 2019-2022 Sodium Bisulfite Purchase contract with Northstar Chemical, Inc. in the amount of \$268,950.00,

including freight and tax, together with contract extensions for up to three additional years and a maximum contract value of \$575,000.00, using a 4% maximum annual increase for a total of six (6) years.

#3, 2019 Board/GM/GC Conference/Travel Authorization:

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board unanimously **authorized** travel and associated expenses for all Commissioners, the General Manager and General Counsel for conferences and other training opportunities that may arise in 2019.

INFORMATION ITEMS

#1, 2019 – Remote Camera Security Monitoring Project (Deterrent System Examples): Stan French reported that after the presentation by the District's security consultant, Gary Clark of Electronic Security Consultants, LLC, at the October 11, 2018 regular Board meeting, staff was asked to return with more information regarding costs to include deterrent systems for District facilities. Mr. French provided the Board with three different deterrent systems and explained how each of the deterrent systems worked and the price of each. Discussion was held on other deterrent options for earlier detection. Mr. Bowman mentioned that further evaluation of this information would be included in the upcoming vulnerability assessment. The Board thanked Mr. French for his research and for the information he provided to the Board and requested staff to follow-up on this project.

#2, 2019-2022 Aluminum Chlorohydrate (ACH) Purchases: Randy Martinez reported that Aluminum Chlorohydrate (ACH) is a chemical used in the wastewater treatment clarification process. The District has an existing contract with Northstar Chemical, Inc. for the purchase of ACH that expires on March 31, 2019. Both Lakota and Redondo Wastewater Treatment Plants occasionally require the use of ACH to mitigate the effects of process upsets. As the current contract expires at the end of March 2019, staff will be advertising for a new ACH contract this month and will be back before the Board in February with new bids. The current estimated cost of this three-year contract is approximately \$253,000.00.

#3, Sodium Bicarbonate Purchases: Brian Richardson reported that Sodium Bicarbonate is a naturally occurring alkaline compound that is utilized in the wastewater industry to accomplish pH adjustments in anaerobic digesters. Redondo and Lakota Wastewater Treatment Plants (WWTP) utilize anaerobic digestion in the treatment of solids to reduce pathogens and aid in the processing of biosolids. The digesters and holding tanks require periodic cleaning and must re-grow a microbial population after cleaning. Maintaining the proper environmental control within the digester requires a stable temperature and continuous feed of sodium bicarbonate to obtain a viable population of microorganisms. Large quantities must be kept on hand as interruption of a stable pH requires an even greater dose. A contract for sodium bicarbonate is needed to prevent supply delays during digester startups and staff is

recommending consideration of a 3-year contract for both Redondo and Lakota WWTP. A conservative estimate of the cost of this three-year contract is approximately \$189,000 and at least three suppliers have expressed an interest in providing bids. Commissioner Nowicki suggested looking into the possibility of working with other local agencies to coordinate a facility that all agencies have a share in for a lower price or more availability.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki showed a video to the Board on small treatment plants and the new technology being development for wastewater treatment and reclaimed water. Mr. Bowman mentioned that there are many NPDES permitting requirements and these small treatment plants are experimental at this time. Commissioner Nowicki reported on the Chamber luncheon and EMAC meeting that he attended.

Commissioner Englund reported on the Finance Committee meeting and Chamber luncheon that he attended. He also reported on the City of Federal Way Legislative Breakfast that he attended this morning.

Commissioner Sanchez reported on information he gathered on water treatment and disinfection.

Commissioner McClain reported on the Safety Committee meeting and Chamber luncheon that he attended.

Commissioner Miller had nothing to report.

STAFF REPORTS

Director of Finance/Information Systems: Mr. Dennis reported on funding for Capital Improvement Projects and that he plans to have Jim Nelson attend the first Board meeting in February to discuss funding for the new headquarters. He informed the Board that the auditors finished the audit of the 2017 Financial Statements, and mentioned that there is one year left on their contract. He will be asking for another Request for Proposals (RFP) for audit services once their contract ends. Mr. Dennis reported that he provided the Engagement letter from the State Auditor's Office for the compliance audit to the Board. He reported that the current CPA firm that the District has used for several years just provided notice that they will no longer be in business and that we will need to find a new firm for financial statements. He reported that there will be a RFP going out for a full actuarial report on post-employment benefits as a result of new accounting requirements for all municipalities.

Engineering Manager: Mr. Miller reported that the bid proposals have been sent out for the new turbo blowers installation for Lakota Wastewater Treatment Plant. Mr. Miller provided updates on the Odor Control and New Headquarters projects.

General Manager: Mr. Bowman reported that the Redondo Wastewater Treatment Plant did not have any permit violations for the year 2018.

Mr. Bowman provided a congratulatory letter for the Board President to sign to Patrick Lilly for his Water Distribution Manager I certification.

EXECUTIVE SESSION

At approximately 7:55 p.m., the regular meeting was recessed in order to conduct an executive session pursuant to RCW 42.30.110(1)(g) for the purpose of evaluating the General Manager and General Counsel's performance. It was stated that the executive session would last approximately 10 minutes and that no action would be taken. At approximately 8:05 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 8:06 p.m.

President Miller

Yea

Nay

Abstain

ATTEST:

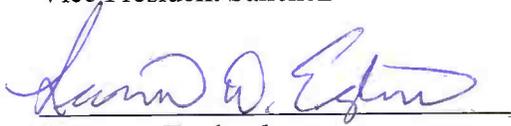


Vice President Sanchez

Yea

Nay

Abstain

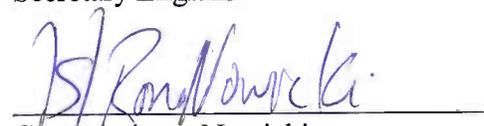


Secretary Englund

Yea

Nay

Abstain



Commissioner Nowicki

Yea

Nay

Abstain



Commissioner McClain

Yea

Nay

Abstain