

LAKEHAVEN WATER AND SEWER DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
May 23, 2019

A regular meeting of the Board of Commissioners of the Lakehaven Water and Sewer District, King County, Washington, was held on May 23, 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:

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

APPROVAL OF MINUTES

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Sanchez, the Board, with Commissioners Miller, Sanchez, Englund and McClain voting in the affirmative and Commissioner Nowicki abstaining, **approved** the Board minutes of April 25, 2019.

APPROVAL OF AGENDA

Steve Pritchett requested to add Action Item #9, Board Meeting Schedule, to the agenda.

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

CORRESPONDENCE

Steve Pritchett commented on the letter from Judi Gladstone to Senator Reuven Carlyle in follow-up to a King 5 interview regarding transparency and accountability of special purpose districts.

CONSENT ITEMS

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Sanchez, 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 \$1,834,733.27.

ACTION ITEMS

#1, Resolution No. 2019-1323, Commending Roger Neigel: John Bowman reported that Roger Neigel has been with the District for 38 years and was a very valued employee. The Board and staff wished Roger best wishes on his retirement.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Sanchez, the Board unanimously **adopted** Resolution No. 2019-1323, commending Roger Neigel for his dedicated years of services to Lakehaven Water and Sewer District.

#2, Worker's Compensation Presentation: Kim Wilson and Andy Shelton were present to give the Board an overview of the worker's compensation services Brown and Brown provides.

Jonathan Britton reported that Lakehaven's current contract with the Washington Association of Sewer & Water Districts' Worker's Compensation Retrospective Rating Program ("WASWD Retro Program") ends on June 30, 2019. The District must provide notice to the WASWD Retro Program by May 31, 2019 if it intends to withdraw from the Program. Mr. Britton reported that it is his recommendation is to remain in the RETRO group and use Brown and Brown's consulting services.

Commissioner Sanchez made a motion to withdraw from the Washington Association of Sewer & Water Districts' Workers' Compensation Retrospective Rating Program, which was duly seconded by Commissioner McClain. Following discussion and with Commissioner McClain's approval, Commissioner Sanchez withdrew his motion.

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board unanimously **voted** to remain in the WASWD Retro Program for an additional year for further review, and to use Brown and Brown's consulting program for a one-year period.

#3, Lakota Aeration System Upgrade – SCADA Integration: Howard Moreland reported that at the last Board meeting, Ken Miller presented this matter to the Board as an information item, describing the need for control systems integration services for the "Lakota WWTP Aeration System Upgrade" project.

Systems Interface is currently contracted to provide the District's Control Systems Engineering Services. Staff reviewed the proposed Scope of Work from Systems Interface to provide the SCADA System integration for the Neuros Turbo Blowers into the plant's existing Wonderware SCADA System and found it to be reasonable. The proposed \$59,900.00 scope and budget is attached in Exhibit A.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner McClain, the Board unanimously **approved** the General Manager to execute a task order under the "On-Call Control Systems Engineering Services" contract with Systems Interface to provide the Lakota Aeration System Upgrade - SCADA Integration services in the amount of \$59,900.00.

#4, Redondo UV & Filtration Control Systems Design: Howard Moreland reported that at the previous Board meeting, Ken Miller presented this item describing the need for control systems design services for the "Redondo UV Disinfection and Filtration" project. The overall project plans include a new UV Disinfection System, two Disc Filters, and a portable generator to provide emergency power for the new equipment.

Systems Interface is currently contracted to provide the District's Control Systems Engineering Services. Staff reviewed the proposed Scope of Work from Systems Interface and found it to be reasonable. The proposed \$91,300.00 scope and budget is attached in Exhibit A.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Sanchez, the Board unanimously **approved** the General Manager to execute a task order under the "On-Call Control Systems Engineering Services" contract with Systems Interface to provide the Redondo UV & Filtration Control System Design services in the amount of \$91,300.00.

#5, 2016-2019 Civil Engineering, Land Surveying, Construction Management Contract - Amendment 3: Ken Miller reported that at the May 9, 2019 Board meeting, staff presented a request and recommendation to increase the authorized budget and extend the contract term for the Civil Engineering, Land Surveying, and Construction Management Consultant Services Agreement (16-1304) with KPG, P.S., in consideration of the completed work performed and being performed by KPG, and both associated and currently anticipated additional project support needs for the next two years.

Staff is recommending that the Board authorize the General Manager to execute Contract Amendment 3 to the Civil Engineering, Land Surveying, and Construction Management Consultant Services Agreement substantially in the form as set forth in Exhibit A – Contract Amendment 3.

Upon motion of Commissioner Sanchez, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the General Manager to execute Contract

Amendment 3 to the consultant services agreement with KPG, P.S., Agreement Number 16-1304, substantially in the form of Exhibit A – Contract Amendment 3, increasing the agreement amount from \$600,000 to \$900,000, and extending the contract term to December 31, 2021.

#6, Water Main Improvements – SW 303rd/2nd Ave SW and Vicinity - Consultant Services: Ken Miller reported that at the previous Board meeting, staff presented information regarding recent water main break history in an area with undersized water mains (by current standards) approaching the end of the typical lifecycle for asbestos-cement pipe. Based on these considerations and observations, staff presented a proposed plan for water main replacements in the area shown schematically in Exhibit A. It was further noted that the City of Federal Way had waived their standard permanent pavement repair requirements for the four most recent water main breaks with the understanding that the District would be replacing the water mains in the area in the near future.

Staff is recommending that the Board authorize the General Manager to approve the Scope of Work in Exhibit B, and to negotiate and authorize a task with KPG to develop a detailed planning-level conceptual configuration and estimate for extending gravity sanitary sewer main in SW 304th Street, and 2nd Avenue and 2nd Place SW in conjunction with the water main improvement project. Staff would present the results to the Board for further discussion prior to proceeding further with the sanitary sewer portion of the project.

Upon motion of Commissioner Sanchez, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the General Manager to approve the Scope of Work in Exhibit B in the amount of \$280,000 for the Water Main Improvements – SW 303rd/2nd Ave. SW and Vicinity as generally shown in Exhibit A, and authorize the General Manager to negotiate and authorize a task with KPG to develop a detailed planning-level conceptual configuration and estimate for extending gravity sanitary sewer in conjunction with the water main improvement project, with the results presented to the Board for further discussion prior to proceeding further with the sanitary sewer portion of the project.

#7, 2019-2020 Liquid Waste Transportation Services (19-1438): Brian Richardson reported that at the January 24th, 2019 Board meeting, staff presented an information item regarding the need for a new one-year liquid waste transportation services contract and its plans to advertise for new services. On May 14, 2019, four bid proposals were received (from two bidders) by the 4:00pm deadline for the “2019-2020 Liquid Waste Transportation” contract. Northwest Cascade Inc. (FloHawk) submitted the lowest responsive bid, in the amount of \$233,191.20 (see Exhibit A).

Northwest Cascade has provided good service for this type of work in the past and after reviewing the bids, staff recommends acceptance of the bid to Northwest Cascade Inc.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Sanchez, the Board unanimously **approved** the General Manager to execute the “2019-2020

Liquid Waste Transportation” contract with Northwest Cascade Inc. (FloHawk) in the amount of \$231,191.20.

#8, 2019 Redondo Bio-Filter Pumps Installation Bid Results: Molly Du reported that at the April 11, 2019 Board Meeting, staff presented an Information Item regarding the need to replace two existing bio-filter pumps with the two new pre-purchased pumps.

An “invitation to bid on the “2019 Redondo Bio-Filter Pumps Installation” project was posted on the Municipal Research and Services Center’s (MRSC) small work ~~roaster~~ roster website on April 25, 2019 and three bids were received. The lowest bidder, Arzate Contractors, provided a total bid amount of \$58,764.20, including tax. A copy of the bid is attached as Exhibit B.

Staff has performed reference checks on Arzate Contractors that have all come back favorable and is recommending that the Board approved their bid for this project.

Upon motion of Commissioner McClain, which was duly seconded by Commissioner Sanchez, the Board unanimously **approved** the General Manager to execute a contract with Arzate Contractors for the “2019 Redondo Bio-Filter Pumps Installation” project in the amount of \$58,764.20, including tax.

#9, Board Meeting Schedule: Steve Pritchett reported that the next Board meeting will consist of the annual Poster Contest Awards Ceremony and that there are several agenda items that will need to be heard prior to the awards ceremony. As there wouldn’t be sufficient time to hear all the agenda items ahead of the poster contest start time of 6:30 p.m., Mr. Pritchett suggested that the Board either set a special meeting to change the start time to 5:00 p.m. or change the awards ceremony start time to 7:00 p.m. It was the Board’s consensus to change the awards ceremony start time to 7:00 p.m., thereby retaining the regular Board meeting start time.

No action was taken.

INFORMATION ITEMS

#1, 2019 Lakota WWTP Liquid Stream Improvements Phase I: Molly Du reported that the Board authorized HDR Engineering, Inc. to complete the final design for Phase I of the “Lakota WWTP Liquid Stream Improvements” project back in October of 2018.

Phase I of the project includes improvements to the return activated sludge (RAS) system and replacement of two secondary clarifier mechanism drives. The estimated installation cost for this phase is approximately \$400,000.

The project is currently advertised in the Daily Journal of Commerce with the bid opening date set for June 4, 2019. Staff will present the bid results to the Board in June.

#2, 2019 Redondo WWTP Effluent Channel Modification: Molly Du reported that high peak wet weather flow events exacerbated by excess inflow and infiltration in the collection system have periodically overloaded the Redondo Wastewater Treatment Plant's effluent channel. In order to reduce the potential for treated effluent overflowing to the neighboring creek, staff has planned an upgrade to the effluent channel. The estimated cost for this upgrade is approximately \$325,000.

The project is planned to be advertised for bid in the Daily Journal of Commerce on May 29 and June 5, 2019, respectively. Staff will return to the Board in June to present the bid results.

#3, 2019 - 2022 Wastewater Engineering Consulting Services: Molly Du reported that the current Wastewater Engineering Consultant Services contract is expiring at the end of June 2019. Staff plans to solicit for Statements of Qualifications (SOQ) from interested wastewater engineering consulting firms capable of providing services on an as-needed basis for a three-year period beginning in July 2019. Wastewater services are generally expected to include wastewater treatment system improvement evaluations and recommendations, developing construction documents, engineering cost estimates, permit assistance, bidding support service, wastewater related project construction management, and other related services specifically requested by the District.

Wastewater services would be performed on an approved task-by-task basis with a proposed budget of \$1,500,000.00 for the term of the new contract. The solicitations are planned for publication in the Daily Journal of Commerce on May 22 and May 29, 2019, respectively. Staff will return to the Board in June or July 2019 to recommend a prioritized list of qualified consultants.

#4, 2019 Water & Sewer Rate, Connection Charge and Overhead Review: Morgan Dennis reported that he mentioned at earlier Board meetings the need to have Financial Solutions Consulting Group (FSC Group) perform a bi-annual review of the District's 2020-2029 water and sewer rates and connections charges. As proposed capital projects may have more of an effect on future rates and connection charges than in past rate studies, this review will be more complicated than prior years.

Additionally, since the overhead multiplier rate used in all fees and charges has not been reviewed since 2009, staff have asked FCSG to include an update to this calculation in their scope of work.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Sanchez, the Board unanimously **amended** the agenda to add **Action Item #10, 2019 Water & Sewer Rate, Connection Charge and Overhead Review; Approval.**

Action Item #10 , 2019 Water & Sewer Rate, Connection Charge and Overhead Review; Approval: Upon motion of Commissioner Sanchez, which was duly seconded by Commissioner Englund, the Board unanimously **approved** to have FCSG perform the 2019 Water & Sewer Rate, Connection Charge and Overhead Rate Review.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner McClain reported on the WASWD Section IV meeting he attended.

Commissioner Nowicki had no report.

Commissioner Sanchez had no report.

Commissioner Englund reported on the Commissioner's meeting he attended.

Commissioner Miller also reported on the Commissioner's meeting he attended.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that at the last Board meeting, the Board moved forward with idea of using the GC/CM method and possibly going with Mike Purdy to participate in the program. Mr. Pritchett informed the Board that, unfortunately, due to health reasons, Mr. Purdy will no longer be able to participate.

Mr. Pritchett reported on a teleconference he attended with staff and the Mueller legal team that was held to finalize the contract language for the AMR Project. He also reported on a meeting he attended on Wednesday with the WASWD Attorney's Group Committee in Bellevue, Washington.

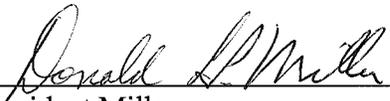
Director of Finance/Information Systems: Mr. Dennis had no report.

Engineering Manager: Mr. Miller reported that there are a couple of engineering position openings at the District and that the Lakota Primary Electrical Room is going out to bid again. He also mentioned that he has a 3D model depicting parts of the Lakota WWTP that he will be showing this to the Board at a future meeting.

General Manager: Mr. Bowman reported on job positions that are currently open.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:18 p.m.



President Miller

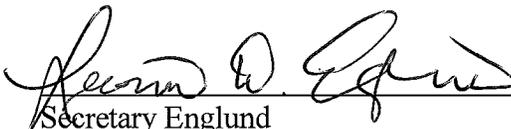
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ATTEST:



Vice President Sanchez

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Secretary Englund

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Commissioner Nowicki

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Commissioner McClain

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