

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING

February 9, 2006

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on February 9, 2006 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington, 98003.

President Tweddle opened the meeting at 6:00 p.m. and asked Commissioner Miller to lead the flag salute. Members/officials present were as follows:

Beverly Tweddle	President of the Board
Don Miller	Vice President of the Board
Tom Jovanovich	Secretary of the Board
Dick Mayer	Commissioner
Ed Stewart	Commissioner
Don Perry	General Manager
Bert Ross	Engineering Manager
Steve Pritchett	General Counsel

It was noted that Mr. Dennis was not in attendance and was excused.

APPROVAL OF MINUTES

Upon motion of Commissioner Mayer, which was duly seconded by Commissioner Jovanovich, the Board unanimously **adopted** the minutes of the Board meeting of January 26, 2006, as presented.

APPROVAL OF AGENDA

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Mayer, the Board unanimously **approved** the evening's agenda as amended below:

1. Action Item #17; Lakota Beach Sewers – Archaeological Consultant Change Order; address this item first as the consultant for this project was present to assist in the discussion of this item.

CONSENT ITEMS

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 1/31/06, 2/13/06, 2/14/06 and 2/15/06
2. Tuscanny Oversizing – Progress Payment

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

ACTION ITEMS

#17, Lakota Beach Sewers – Archaeological Consultant Change Order: Mr. Ross provided a summary of this item and explained the contents of the change order. Gail Thompson of the Historical Research Associates, Inc., the firm retained by the District to monitor and report any archaeological artifacts during this project, was present to answer questions of the Board. The Department of Archaeology and Historic Preservation required daily monitoring of the site instead of weekly monitoring, as proposed in the original contract with the consulting firm. This requirement contributed to the cost of the proposed change order. Concerns were expressed about the large amount of the change order that would result in a large increase to the total cost of the project.

Upon motion of Commissioner Mayer, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** Change Order #1 to the Historical Research Associates, Inc. contract in the amount of \$20,820.49 for the Lakota Beach Sewer Project and **authorized** the General Manager to execute the change order on the behalf of the District.

#16, Amendment No. 4 to the 1999 Comprehensive Wastewater System Plan-Adoption; Resolution No. 2006-1061: Mr. Ross stated the amendment to the plan that was prepared by PACE Engineers, Inc. confirms a method of providing sewer service in the Adelaide Beach area as being a low pressure sewer system.

For discussion purposes, Commissioner Mayer made a motion to adopt the resolution that would amend the Comprehensive Wastewater System Plan and Commissioner Stewart seconded the motion. The discussion then proceeded and included possible options of providing sewer service in the surrounding areas as well.

Upon motion of Commissioner Mayer, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** Resolution No. 2006-1061, adopting Amendment No. 4 to the General Comprehensive Plan for the sewer system and amending Resolution No. 99-888.

As the next three items related to conference attendance, it was the consensus of the Board to address these items together.

#18, 2006 Pacific Northwest Section-American Water Works Association (PNWS) Conference

#19, 2006 Association of Washington Cities-Local Conference

#20, 2006 American Water Works Association (AWWA) National Conference

Upon motion of Commissioner Mayer, which was duly seconded by Commissioner Miller, the Board unanimously **approved** travel for any Board member, the General Manager and/or General Counsel to attend any of the conferences noted above.

#21, Board Procedures (Resolution No. 2006-1060)/Code of Ethics (Resolution No. 2006-1059) Review: Prior to considering these two items a discussion ensued regarding several items noted in the documents. It was noted that no changes had been proposed to either document.

Upon motion of Commissioner Mayer, which was duly seconded by Commissioner Jovanovich, the Board unanimously **adopted** Resolution 2006-1059, revising the Code of Ethics and superseding Resolution No. 2004-1008. By their same vote, the Board unanimously **adopted** Resolution 2006-1060, amending the Rules of Procedure for the management of Board meetings and business matters and superseding Resolution No. 2004-1009.

#22, 2006-2007 On-Call Wastewater Design Services – Contract Approval: Mr. Pritchett presented this item to the Board. A discussion ensued regarding the multiplier included in the contract. Mr. Perry noted there are other options available to the District and staff would like to present them to the Board at a future meeting.

Upon motion of Commissioner Mayer, which was duly seconded by Commissioner Miller, the Board unanimously **approved** the 2006-2007 On-call Wastewater Design Services Contract with Earth Tech, Inc. and **authorized** the General Manager to execute the contract on behalf of the District.

INFORMATION ITEMS

#1, Capital Facilities Charges; Capacity Reconciliation Leasing: Mr. Pritchett reported that Mary Young, a former employee who had returned as an outside consultant, had been reviewing the Developer Extension (DE) projects that are currently in the “monitoring phase”. This procedure was developed several years ago for the purpose of monitoring actual water consumption for new commercial development for a period of five years to determine the actual capacity demand on the District’s water and sewer systems. It was noted that this is a part of their DE agreement. Staff is now in the process of compiling water consumption records and generating letters to owners indicating their current and future status as it relates to Capital Facilities Charges (CFC’s). Mr. Pritchett continued on with the history of this process using several developer projects as examples. During the discussion, Mr. Pritchett noted he felt it was important to familiarize the Board with the current process so they would be fully aware of the procedures that have been developed and the impacts created. The presentation continued, which included a discussion of leasing capacity in the District’s systems. It was suggested that a special workshop be scheduled to discuss this item at length. Subsequent to the discussion, it was the

consensus of the Board to direct staff to schedule a Board Workshop on Tuesday, March 7, 2006 at Lakehaven Center beginning at 6:00 p.m. to hear a CFC Monitoring Presentation and follow up with a discussion.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Mayer reported he would be unable to attend the Board meeting scheduled for February 23rd. It was also noted that Mr. Pritchett will be unavailable for that meeting as well. Commissioner Mayer also reported he would be unavailable to attend the Insurance Committee meeting that had been scheduled for the next day. Commissioner Stewart reported he had attended a Safety Committee meeting and a meeting of EMAC. Commissioner Jovanovich reported he had spoken to some residents in the North Lake area and they indicated they were uncertain as to the next step in the process of moving forward with the proposed sewer project in their area. Mr. Ross explained the next step in the process. Commissioner Miller reported he had also attended the recent Safety and EMAC meetings. In addition, Commissioner Tweddle indicated she would be attending the Insurance Committee meeting the next day in Commissioner Mayer's absence.

STAFF REPORTS

GENERAL COUNSEL: Mr. Pritchett reported he had been monitoring several bills in the legislature as well as communicating with the District's lobbyist about them. He then provided a status report on some proposed bills that could have an impact on the District. He added that the cut off date for bills to move out their committee of origin had been the previous Friday. Mr. Pritchett next referenced a letter the District received from a District customer who had purchased rental property and wanted the District to agree to require a deposit from tenants and/or discontinue service to tenants in certain instances. Mr. Pritchett proposed sending the customer a letter explaining the District's policies and the Board agreed. He also went on to explain the status of the issue posed by Mr. Dapp, a property owner within the Lakota Beach Sewer project, who had appealed a portion of his connection charge. He indicated his intent to send Mr. Dapp a letter regarding his concerns explaining the issues and the Board concurred with a rejection of his appeal.

ENGINEERING MANAGER: Mr. Ross provided the Board with a status report on the amount of sewer hook ups from property owners within the Lakota Beach area.

GENERAL MANAGER: Mr. Perry reported he had met with representatives of the City of Edgewood who were requesting temporary sewer service from the District. He added that they had submitted a "Request for Proposals" for a consultant to plan sewers in Edgewood. He next reported that there will be four minor amendments to the Second Supply project agreement forthcoming with Tacoma, which are housekeeping issues. Mr. Perry then reported that Senator

Pete Domenici from New Mexico had contacted staff asking for a representative from the District to travel to Washington, D.C. to relate Lakehaven's experience with the Department of Reclamation. Mr. Perry noted a letter would be written in lieu of sending anyone to D.C. Mr. Perry then noted that staff had received a report on the Redondo Wastewater Treatment Plant outfall pipe and the consultant had recommended no archaeological monitoring because of the current, very disturbed, state of the area in which the work will be performed.

EXECUTIVE SESSION/COLLECTIVE BARGAINING

At approximately 8:05 p.m., the regular meeting was recessed in order to conduct an executive session for the purpose of discussing potential Litigation and the performance reviews for the General Manager and General Counsel. It was stated that the executive session would last approximately 35 minutes. It was then stated that the executive session would continue until approximately 8:40 p.m. The executive session adjourned at approximately 8:37 p.m. and the regular meeting was reconvened.

Upon motion of Commissioner Mayer, which was duly seconded by Commissioner Miller, the Board unanimously **approved** amending the agenda to add **Action Item #023, General Manager, General Counsel; Salary Adjustments.**

Action Item #023, General Manager, General Counsel; Salary Adjustments: Upon motion of Commissioner Mayer, which was duly seconded by Commissioner Miller, the Board unanimously **approved** a 3% increase to the base salary of the General Manager and the General Counsel, to be retroactive to January 1, 2006.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:40 p.m.

_____ President Tweddle	_____ Yea	_____ Nay	_____ Abstain
----------------------------	--------------	--------------	------------------

ATTEST:

_____ Vice President Miller	_____ Yea	_____ Nay	_____ Abstain
--------------------------------	--------------	--------------	------------------

<hr/> Secretary Jovanovich	<hr/> Yea	<hr/> Nay	<hr/> Abstain
----------------------------	-----------	-----------	---------------

<hr/> Commissioner Mayer	<hr/> Yea	<hr/> Nay	<hr/> Abstain
--------------------------	-----------	-----------	---------------

<hr/> Commissioner Stewart	<hr/> Yea	<hr/> Nay	<hr/> Abstain
----------------------------	-----------	-----------	---------------