

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
February 23, 2006

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on February 23, 2006 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington, 98003.

President Tweddle opened the meeting at 6:00 p.m. and asked Mr. Dennis 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
Ed Stewart	Commissioner
Don Perry	General Manager
Morgan Dennis	Director of Finance/Information System

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously excused Commissioner Mayer from the meeting as he was out of town. It was also noted that Mr. Pritchett and Mr. Ross were not in attendance as well.

APPROVAL OF AGENDA

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Miller, the Board unanimously **approved** the evening's agenda as presented.

CONSENT ITEMS

1. Pacific Highway South Water Main Relocation-Phase II – Progress Payment to City of Federal Way

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

ACTION ITEMS

#23, Vehicle Purchases; Replacements for Units 14, 403, 406: Gene Yoder, the District's Field Operations Manager, stated that vehicles #403 and #406 were scheduled for replacement in 2006 and added that replacement of Unit 14 was a carry over from 2005. He went on to explain the condition of the three vehicles scheduled for replacement as well as indicating where the new vehicles would be located. Mr. Yoder also stated staff wished to surplus Unit 23, which is a very old air compressor and no longer of any use to District staff.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **approved** the purchase of three vehicles as proposed by staff, which will replace three current vehicles that staff has determined no longer meet the

District's needs. By their same vote, the Board also **approved** adding Unit 23 to the items to be surplus.

#24, Service Renewals Contract Approval: Mr. Yoder began by distributing a revised agenda item to the Board as conditions regarding this item had changed since the Board meeting agenda had been delivered to the Commissioners. Mr. Yoder explained that out of the ten companies that were contacted regarding this project, only two had responded with bids. The other companies were contacted to determine why they had not submitted bids and staff was told that the companies either had too heavy of a workload to take on more work or they did not perform this type of work. The two bids that had been received far exceeded the budget amount that had been allocated for the project. In addition, Mr. Yoder indicated that the City of Federal Way had moved up their repaving schedule, which further impacted the District's ability to obtain a contractor to complete the service renews in the time required. Mr. Yoder stated it was staff's recommendation that the Board consider rejecting the bids for this project. He added that his staff would complete as many service renews as possible before the City began their paving project.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **rejected** the bids for the Service Renewals Contract.

#25, Water Inventory Supplies Purchase Contract: Mr. Yoder stated this is a yearly contract and went on to explain the process. Staff received three bids for the contract and one of the three bidders did not include the proper bid bond. A discussion followed as to the best way to proceed that would be in the best interests of the District and its ratepayers.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Miller, Board unanimously **awarded** the bid for the 2006 Water Inventory Supplies Purchase Contract to the lowest responsive, responsible bidder for each classification.

INFORMATION ITEMS

#1, Computer Maintenance Management System (CMMS): Mr. Yoder distributed copies of a prior agenda bill to the Board regarding this item as it provided information about this project to assist in the discussion. District staff has been working with Avantis to develop contract language that would be agreeable to both organizations for the site assessment. There continues to be one outstanding paragraph on which the parties disagree. Included in the agenda packets was a document that included the proposed wording by each party. Mr. Yoder went on to explain that the basic issue between the two versions is the liability shift from Avantis to the District on consulting services they would provide. A discussion followed regarding impacts, if any, to the District should it be determined to move forward with the language being proposed by Avantis. It was noted that staff had contacted six agencies that the vendor has served and

received no negative responses. In addition, staff has visited a few of the sites that have purchased and used this software successfully. Mr. Yoder stressed that this is not risk free, but staff felt the risk would be low. Mr. Yoder also stated that staff would be requesting the Board consider increasing the cost for the site assessment slightly since it was last discussed in May, 2005. A discussion then ensued regarding the cost of the implementation, should the Board determine that it would be done by Avantis using their software. Commissioner Jovanovich asked about the learning curve and staffing requirements once the program had been implemented; Mr. Perry noted he felt staff might be shifted and indicated he didn't feel it would be necessary to hire additional staff for the project. When asked for his input, Mr. Dennis indicated that site assessments had been performed for the finance project as well as the GIS project and he felt it had been money well-spent for everyone to be able to understand the scope and cost of the full project.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously approved amending the agenda to add **Action Item #26, Computer Maintenance Management System (CMMS); Contract Approval.**

Action Item #26, Computer Maintenance Management System (CMMS); Contract Approval: Upon motion of Commissioner Miller, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the contract language from Avantis as discussed and to move forward with the site assessment, for a cost not to exceed \$25,000.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported on the recent Insurance Committee meeting and noted he had met the District's new representative from Brown and Brown, who seemed very nice. Commissioner Tweddle added that she also attended that meeting and agreed with Commissioner Miller's assessment.

STAFF REPORTS

GENERAL MANAGER: In Mr. Ross's absence, Mr. Perry reported that Paul Burton, a property owner who had created a developer extension project with some other property owners within his neighborhood in the Marine Hills area for the installation of sewers, had submitted his plans back to the District and only minor revisions were needed to allow their approval. Also discussed was the Capital Facilities Charges project that had been reviewed at the last Board meeting.

Mr. Perry next reported staff had received a formal request from the City of Edgewood for temporary sewer service and staff was drafting a response. He added that he would provide the Board with a copy of the draft agreement prior to it being sent to the City. He next reported

that the City of Federal Way will be requesting a franchise agreement from Lakehaven for work performed within the boundaries of the City. Mr. Perry then reported a public meeting had been scheduled at Lakehaven Center for the District's reclaimed water project on Wednesday, March 22nd from 7:00 p.m. to 9:00 p.m. to provide information of the impact of that work.

EXECUTIVE SESSION/CLOSED SESSION

At approximately 7:25 p.m., the regular meeting was recessed in order to conduct an executive session to discuss two grievances. It was stated that the executive session would last approximately 20 minutes. At approximately 7:40 p.m., the executive session was adjourned and the regular meeting was reconvened.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** amending the agenda to add **Action Item #27 Employee Grievances; Consideration.**

Action Item #27 Employee Grievances; Consideration: Upon motion of Commissioner Miller, which was duly seconded by Commissioner Stewart, the Board unanimously **rejected** two grievances, numbered 2005-RUSIM-1130-06 and 2005-RUSIM-1214-07, submitted by Radovan Rusimovic at Step Four. A letter from the Board President will be forthcoming.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:45 p.m.

_____ President Tweddle	_____ Yea	_____ Nay	_____ Abstain
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ATTEST:

_____ Vice President Miller	_____ Yea	_____ Nay	_____ Abstain
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<hr/> Secretary Jovanovich	<hr/> Yea	<hr/> Nay	<hr/> Abstain
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<hr/> Commissioner Mayer	<hr/> Yea	<hr/> Nay	<hr/> Abstain
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<hr/> Commissioner Stewart	<hr/> Yea	<hr/> Nay	<hr/> Abstain
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