

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
April 27 2006

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on April 27, 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 in 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
Bert Ross	Engineering Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

Commissioner Tweddle announced that Commissioner Mayer would not be in attendance at the meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** the minutes of the April 13, 2006 Board meeting as submitted.

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.

CITIZENS COMMENTS

Mr. Gibson, a District ratepayer living at 33461 33rd Place South, was in the audience and stated he was representing his neighbors to express to the Board their interest in sewers being installed in their neighborhood. He explained the reasons he and his neighbors were interested in following through with this project. The Board thanked Mr. Gibson for his thoughts.

CONSENT ITEMS

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 4/21/06, 4/26/06, 4/27/06 and 4/28/06.
2. Street Light System Proposal – Britton 1st Addition; Resolution No. 2006-1067

3. South 336th Street and 1st Way South Water Main Replacement – City Invoice #1 – Approval
4. Commissioner Mayer Commendation, Resolution No. 2006-1066

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

ACTION ITEMS

#41, Schedule Special Meeting – Watershed Tour: Mr. Perry reviewed the different areas that the Board would be able to see during the tour. Since all Board members had expressed an interest in participating in the tour, it was determined that a Special Meeting be scheduled as there would be a quorum.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, Board unanimously **approved** scheduling a Special Meeting for May 8, 2006, the purpose being to tour the Second Supply project headworks facility.

#42, North Beach Line Replacement – Change Order #4 – Approval: The purpose of this change order is to final out the construction contract of the North Beach Line Replacement project. For discussion purposes, Commissioner Jovanovich made a motion to approve the change order; Commissioner Miller seconded the motion. A discussion followed as to the outstanding items that were included in the change order. Subsequent to the discussion, the Board considered this item.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Miller, the Board unanimously **approved** Change Order #4 to the contract with MidMountain Contractors, Inc. in the amount of \$6,528, including sales tax, for the North Beach Line Replacement Project and **authorized** the General Manager to execute the change order on behalf of the District.

#43, 2004 Comprehensive Water System Plan – Status Report and Consultant Contract Change Order No. 2: Mr. Ross stated staff was presenting this change order to extend the length of the contract time with PACE Engineers for completion of the 2004 Comprehensive Water System Plan update. He stated that representatives from PACE were in the audience to provide the Board with a status report on this project as well as to answer any questions regarding the time extension change order. Susan Boyd of PACE then addressed the Board to report on the current status of the project and explain the reason for the change order. A discussion followed with Board members expressing their disappointment in the delays of this project. Subsequent to the discussion, the Board addressed this item.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Miller, the Board unanimously **approved** Change Order No. 2 to the consultant contract with PACE Engineers, Inc. to extend the contract time for the 2004 Comprehensive Water System Plan project by seven and one half months, as well as **authorized** the General Manager to execute the change order on behalf of the District. Ms. Boyd thanked the Board for their approval.

#44, Lakota Creek Fish Ladder Repair – Change Order #1 – Approval: John Bowman, the District's Water Manager/Special Projects Manager, explained the history of this project and went on to state that staff had requested additional services from PACE Engineers, Inc., the consultant for this project, due to the special environmental issues, coordination with the Washington Department of Fish and Wildlife and construction time limits associated with this project. The additional services will assist with preparations of the bid documents and provide construction management services during the repair/maintenance project. Mr. Bowman continued by explaining what was included in the change order. A discussion followed and, subsequent to the discussion, the Board considered the change order.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **approved** Change Order #1 to PACE Engineers, Inc. in the amount of \$28,339 for the Lakota Creek Fish Ladder Repair Project as well as **authorized** the General Manager to execute the change order on behalf of the District.

INFORMATION ITEMS

#1, Employee Uniforms: Gene Yoder, Manager of Field Operations, presented this item. He stated the contract for uniform services had expired in December of 2005 and staff had prepared specifications for this service and it was sent out to bid. He then explained that the numbers that were used on the bid sheets provided a "worst case scenario", which was also explained. The bid information had been reviewed by staff and Mr. Yoder indicated the exceptions that were made by one of the vendors, which had disqualified the bid they had submitted. He added the most responsive bidder was found to be agreeable and noted staff had worked with this vendor before.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **approved** amending the agenda to add **Action Item #45, Employee Uniforms – Contract Approval.**

Action Item #45, Employee Uniforms – Contract Approval: Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board

unanimously **approved** the contract for uniform services for the next 30 months that had been submitted by Unifirst as well as **authorized** the General Manager to execute the contract on behalf of the District.

Information Item #2, Developer Extension Status Report: Wes Hill, the District's Development Engineer/Manager of Development Services, presented this item and provided the Board with current information to facilitate in the discussion. He then reviewed the different documents that were provided and went on to report the status of the different stages of the developer extension projects. During the discussion, Mr. Hill noted there has been a steady influx of projects. Also discussed were the languishing projects and the concerns relating to these projects. Mr. Hill noted that overall, there are less of these projects than during the previous reporting period. The discussion went on to several other projects and updates to those were provided and reviewed. Mr. Hill noted that with the billing system in place, he felt it was much easier to keep things current. He then thanked the engineers, technicians, and administrative staff for their assistance over the last six months adding things had been very challenging during this time. Mr. Hill then reported that staff has seen an increasing trend in the number of water and sewer permits that have been issued since 1998 and added he felt the trend would continue for this year. He added that currently, equivalent residential units were running more in line to the number of applications, indicating more single family residences or small buildings. He then added the number of applications that have been processed so far this year is 20% higher of last year's numbers. Subsequent to the presentation, the Board thanked Mr. Hill for his presentation.

Information Item #3, Board Vacancy: Commissioner Tweddle began this discussion by stating the Board needs to decide how to approach filling the vacancy that will be left by Commissioner Mayer. Mr. Pritchett noted that Commissioner Mayer's position would be vacant on May 1st; he added the Board had 90 days after that to appoint a replacement. He also reviewed the statute relating to this issue that states the person that is appointed holds the position until the next regular election, which will be next fall. At that point there will be an election for that position to fill out the remainder of the term; the position in question will run through December 2009. He then added that there was no statute that provides how to select a replacement – that task is left to the Board. A discussion then followed as to the process. It was determined to address this item at the first Board meeting in May.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Stewart referred to the multitude of information that is available to everyone relating to world issues – from terrorism to health issues. Commissioner Miller reported he had spoken to Mr. Bowman about the well drilling progress. Mr. Perry then provided the Board with an update on this project and noted the contractor has had some difficulties,

which could result in a request for an extension, as this project must be completed by June of next year.

STAFF REPORTS

GENERAL COUNSEL: Mr. Pritchett reported that staff had begun receiving the posters for the Conservation Poster Contest. He noted that 577 posters were submitted in 2005 and staff anticipated a good contest this year as well. Judging for the contest winners will begin towards the end of May. He then reported that the lawsuit asking the court to determine jurisdiction as to who will provide sewer service in the south part of King County had been sent to the courts for consideration. He added he hoped this would produce some action towards Pierce County to move forward. Next, Mr. Pritchett stated he had met the prior week with residents from the Adelaide Beach neighborhood as well as the person who has been reluctant to grant an easement in benefit of the Developer Extension Project in order to get sewer service in that area. He went on to review the subject matter of the meeting and added the easement issue might resolve itself. Mr. Pritchett next reported that he and relevant District staff would be meeting the next week with a representative from Quadrant to discuss Capital Facilities Charges reconciliation issues that had been addressed at the last Board meeting. He next stated staff had received a demand from the IUOE business agent to arbitrate two of the last grievances that had been brought to the Board for consideration. He added he had responded with a list of arbitrators for them to consider.

DIRECTOR OF FINANCE AND INFORMATION SYSTEMS: Mr. Dennis stated he and his staff had been working on retro calculations for payment to the IUOE members; he added this task was nearly completed and was on target for payment as part of the May 15 regular payroll.

ENGINEERING MANAGER: Mr. Ross reported staff had posted and published notice of a public hearing for the Jovita Heights/West Hill Plat (Cornerstone) – Corporate Annexation project and went on to state the public hearing would be scheduled for the first Board meeting in May. He added another annexation for a similar plat, titled Pepper Hill Estates, would begin soon. Mr. Ross then stated that the East North Lake Sewer project was moving ahead – he explained staff's integration plan in that area with adjoining areas, noting if things go well, the larger project should go quite smoothly.

GENERAL MANAGER: Mr. Perry reported that a Groundwater Management Committee meeting had been scheduled for Wednesday of the next week at 5:30 p.m. at Lakehaven Center. He next stated he had recently attended a meeting at Renton City Hall and listened to representatives from Metro discussing their proposal for rate increases. A discussion followed relative to this issue. He stated that there were many people in that room that were very

concerned about these proposed rates and added that Lakehaven is well positioned. Mr. Perry went on to review the contents of that meeting and the agencies that were represented.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:52 p.m.

_____	_____	_____	_____
President Tweddle	Yea	Nay	Abstain

ATTEST:

_____	_____	_____	_____
Vice President Miller	Yea	Nay	Abstain

_____	_____	_____	_____
Secretary Jovanovich	Yea	Nay	Abstain

_____	_____	_____	_____
Commissioner Mayer	Yea	Nay	Abstain

_____	_____	_____	_____
Commissioner Stewart	Yea	Nay	Abstain