

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
May 11, 2006

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on May 11, 2006 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington, 98003.

President Tweddle opened the meeting at 6:00 p.m. and asked Gene Yoder, the Manager of Field Operations, 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

APPROVAL OF MINUTES

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** the minutes of the April 27, 2006 Board meeting as presented.

APPROVAL OF AGENDA

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

1. Add Action Item #050, Board Meeting of May 25, 2006 – Cancel and Discuss Scheduling Special Meeting

CONSENT ITEMS

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 5/11/06, 5/12/06 and 5/15/06

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

As the first two Action items called for a public hearing at 7:00 p.m. and it was not yet that time, it was the consensus of the Board to move to the third Action Item and continue on with the agenda until 7:00 p.m.

ACTION ITEMS

#48, Marine Hills-Burton Sewers – Proposed Developer Extension Agreement

Revision: Mr. Ross provided a brief history of this project and then stated the District has now received an approvable set of plans for the project, which will be signed off upon execution of the developer extension agreement. Paul Burton, the developer for this project, obtained updated construction bids and found them to be much higher than bids he had received prior to the plan preparation. The bids also exceeded the contingency he had built into his agreements with the participants. In order to keep the project viable, Mr. Burton was requesting the Board consider increasing the District's maximum participation threshold. A discussion followed as to the best way to proceed. During the discussion, the Board recognized and acknowledged Mr. Burton for all of the hard work he had done in bringing this project to its current status. Subsequent to the discussion, the Board considered the item.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **approved** revising the developer extension agreement for the Marine Hills-Burton Sewers project to increase the maximum District participation threshold from \$130,300.00 to \$142,400.00.

#49, Board Vacancy: Commissioner Tweddle began the discussion by stating she had asked Mr. Pritchett to lay out a plan for the Board to consider. Mr. Pritchett stated he had prepared a Board Vacancy Appointment Guide for the Board's general consideration, noting some of the timelines included in the document might have to be adjusted based on the availability of Board members. By statute, the Board is given 90 days in which to select a replacement; if that timeline is exhausted before an appointment is made by the Board, King County has the authority to appoint a replacement. Mr. Pritchett then went on to review the guidelines that he proposed. It was suggested that notices be sent to both the Federal Way Mirror and the Tacoma News Tribune to ensure that more citizens within the District's boundaries would have the opportunity to be informed. Also discussed was the procedure used the last time a vacancy occurred on the Board and whether or not it could be used in this situation as well. It was determined that each Board member be provided copies of the selection criteria and interview questions that were developed the last time for their review and suggested edits. It was suggested that the Board select candidates to interview at the June 8th Board meeting, after the Conservation Poster Contest Awards, and interviews could be conducted at the next regular meeting, which is scheduled for June 22nd. The Board could vote after interviews are conducted and the person that is selected could then take office at the first meeting in July, which is July 13th. It was also suggested that the closing date for submission of applications be Monday, June 5th, which would provide enough time for the Board to receive them in their agenda packets for consideration at the meeting on June 8th. Interested parties could contact Linda Mogensen, the Board Clerk, who would ensure that all the applications be submitted to the Board.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **approved** the direction suggested by staff on how to proceed to fill the vacant position on the Board.

#050, Board Meeting of May 25, 2006 – Cancel and Discuss Scheduling Special Meeting: As Commissioners Miller and Jovanovich will be unable to attend this meeting, it will be necessary to cancel it, due to the lack of a quorum. In addition, it was determined to schedule a special meeting as there were critical issues that need to be considered during this time frame.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **approved** cancelling the Board meeting scheduled for Thursday, May 25th and scheduling a Special Board meeting to be held on Tuesday, May 23rd.

INFORMATION ITEMS

#1, 2006-2007 On-Call Land Survey Services (05-288) – Contract Review: Mr. Pritchett reviewed that the Board had previously adopted a ranking for survey firms and noted the #1 ranked firm no longer performs survey work in-house; therefore, this work falls to the firm that was ranked second. Staff prepared a contract for the projects that need surveying performed and since there are projects waiting for approval of this firm, Mr. Pritchett stated it would be appreciated if the Board would consider this item at this meeting.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Miller, the Board unanimously **approved** amending the agenda to add **Action Item #051, 2006 - 2007 On-Call Land Survey Services (05-288) – Contract Approval.**

Action Item #051, 2006 -2007 On-Call Land Survey Services (05-288) – Contract Approval: Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Miller, the Board unanimously **approved** the contract for Professional Land Survey Services with INCA Engineers as proposed by staff.

Information Item #2, Water Reclamation Feasibility Study – Change Order #1: John Bowman, the District's Water Manager/Special Projects Manager, addressed this item and stated this was a proposed change order to the Water Reclamation Feasibility Study project. He went on to provide a history of this project and the proposed participation of the Bureau of Reclamation regarding the development of the study and their participation in the NEPA process. Staff has since been told that the Bureau will not be participating any further as they did not want to start any new Title XVI projects, which left the District with no sponsor to perform the NEPA study. Staff has since devised a different way to approach the project with remaining funds under the title XIV program. He then explained the basis of the change order and the new approach that was developed. A discussion ensued as to the greater project; it was noted that completion

of the feasibility study was necessary in order to move forward, even though it would continue at a prolonged pace. Also discussed was taking advantage of the opportunities as they arise to build parts of the system by installing pipe and other infrastructures when developments are being built or pipe is being replaced, etc. The change order was then discussed and Commissioner Jovanovich stated he would like to do some research of this project before considering it at the next meeting. This item will be presented at the next meeting as an Action Item.

As the time was 7 p.m., Commissioner Tweddle directed the Board to the two Action Items that called for public hearings.

#46, Jovita Heights/West Hill Plat (Cornerstone) – Corporate Annexation – Public Hearing 7:00 p.m. and Resolution to Annex; Resolution No. 2006-1068: Mr. Ross stated this item had been brought to the Board a month ago at which time the Board adopted a resolution to move forward. Notice of a public hearing was posted and published and staff had received no objections in writing or otherwise. At this time Commissioner Tweddle recessed the regular meeting and opened the public hearing for the purpose of hearing testimony from the public regarding this item. Hearing no testimony Commissioner Tweddle adjourned the public hearing and reconvened the regular meeting.

As the next item also called for a public hearing at 7:00 p.m. Commissioner Tweddle moved to this item before considering the annexation issue.

#47, Street Light System Establishment, Britton's 1st Addition; Public Hearing 7:00 p.m.; Resolution No. 2006-1069: Commissioner Tweddle recessed the regular meeting and opened the public hearing for the purpose of hearing testimony from the public regarding this street light proposal. Hearing no testimony Commissioner Tweddle adjourned the public hearing and reconvened the regular meeting.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** Resolution No. 2006-1068, annexing to the District, subject to the approval of the King County Boundary Review Board, a certain area known as "Jovita Heights/West Hill Plat (Cornerstone) – Corporate Annexation".

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **adopted** Resolution No. 2006-1069, establishing a street lighting system for the area within the District describe as Britton's First Addition and setting an effective day for the provision of street lighting services as June 10, 2006.

#3, Sewer Survey of Sub Area S – East of North Lake: John Lee, the District's Project Engineer, provided the Board with a map of the area in question indicating the results of the most recent opinion poll in the area. The District previously initiated a project north of South 334th

Street and the property owners south of South 334th Street requested an opinion survey. The results are as follows: Out of 41 properties, 17 parcels responded in favor of a project, four opposed a project; six were “maybes”, while the remaining 14 property owners did not respond. Mr. Lee then provided proposed project costs per parcel. He then suggested a more economical alternate option where a concentration of 16 out of the 17 favorable parcels is located. The pressure sewer mains could be installed in this concentrated area at a substantially reduced total project cost. He noted that all property owners who responded favorably are potentially served by this alternate option except the single most southerly tract, which is owned by Weyerhaeuser. Mr. Lee also pointed out that if the property owners of the area being discussed joined the project being developed by the property owners to the north, the costs would be more economical. A discussion followed and a property owner that was in the audience, Mr. Charles Gibson, stated he was anxious to move forward and thanked Mr. Lee for all of his efforts. Mr. Perry then provided some additional information for the Board to consider if it was determined to pursue this option. Subsequent to the discussion, it was the consensus of the Board to pursue the alternative option as it appeared to be in the best interests of all the parties.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **amended** the agenda to add **Action Item #52, Sewer Survey of Sub Area S – East of North Lake – Alternative Option.**

Action Item #52, Sewer Survey of Sub Area S – East of North Lake – Alternative Option: Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the alternative option presented to them by staff for the District to fund the 1,310 foot sewer installations south of South 334th Street on the east side of North Lake for an approximate cost of \$103,865.24.

Information Item#4, 2006-2007 On-Call Electrical Services: Mr. Perry introduced Chris McCalib, who was recently hired as the Assistant Wastewater Treatment Plant Supervisor. Mr. McCalib oversees the Electrical staff and presented this item. Mr. Perry added that Mr. McCalib is a licensed electrician and if the Board had any questions, he would be glad to answer them. A discussion followed regarding the amount of work that has been backlogged due to the workload of the electrical staff. Mr. McCalib stated that staff is set up for maintenance and operations; the progressive program of retrofitting the existing infrastructure is beyond the scope of staff’s current work. He added that it was determined that the District would benefit from the addition of an outside contractor to perform the work for several projects. Staff sent out eight bid requests for this project and received two responses, one that stated they would not be bidding due to their workload. The references of the remaining bidder were checked and found to be satisfactory. It was noted that hiring of this contractor would allow staff to complete work that has been backlogged; the first one being Pump Station 33. Subsequent to the discussion, it was the consensus of the Board to consider this item at this meeting.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **amended** the agenda to add **Action Item #53, 2006-2007 On-Call Electrical Services**.

Action Item #53, 2006-2007 On-Call Electrical Services: Upon motion of Commissioner Miller, which was duly seconded by Commissioner Jovanovich, the Board unanimously **approved** awarding the contract for the 2006-2007 On-Call Electrical Services to Allied Electrical in the amount of \$150,000.00 for the period from June 1, 2006 through December 31, 2007 and **authorized** the General Manager to sign the contract on behalf of the District.

Information Item #5, 2006-2007 On-Call Electrical Engineering Services: Mr. Perry stated that the purpose of this item was to contract for certain capital improvement work and electrical and instrumentation consulting work. Requests for Proposals resulted in eight responses and two were selected subsequent to an initial evaluation of the respondents. A more in depth evaluation of the final two consultants was conducted and staff determined that Casne Engineering, Inc. was the most reasonable and qualified firm. Mr. McCalib then explained to the Board the scope of the services to be rendered and the different areas that will be addressed. Mr. Perry stated that he had received notice that the District's only PLC Technician, John Reinkens, would be leaving the District at the end of May, which would be a big loss for the District and left no one in-house capable of programming the telemetry systems. . He went on to state that staff intended to fill the position, which would take some time. In the meantime, if the Board approved this item, someone could be on board in August. The discussion continued relative to the loss of a valued employee and the impacts on work force. Also discussed were the different areas that would benefit from having an On-Call firm ready to step in as needed. Mr. McCalib then stated that if the Board approved, the District will enter into a contract for the period from June 2006 through December 2007 at a cost of \$300,000.00. This would provide an estimated 3,500 hours of capital improvement consulting and electrical instrumentation work order labor. Subsequent to the discussion, it was the consensus of the Board to consider this item at this meeting.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **amended** the agenda to add **Action Item #54, 2006-2007 On-Call Electrical Engineering Services**.

Action Item #54, 2006-2007 On-Call Electrical Engineering Services: Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** awarding the contract for the 2006-2007 On-Call Electrical Engineering Services to Casne Engineering, Inc. in the amount of \$300,000.00 for an estimated 3,500 hours of capital improvement consulting and electrical instrumentation work order labor for the period from June 1, 2006 through December 31, 2007 and **authorized** the General Manager to sign the

contract on behalf of the District. Mr. Ross noted as an aside that the District had obtained the services of this firm in the past in a sub-consultant role.

Information Item #6, CIP/Budget and Status Report: Mr. Dennis introduced the presentation and stated the information provided to the Board included action that had occurred since the last report, approximately six months earlier. Information was provided to the Board that reflected what the project managers would be discussing. The following project managers reported on their various projects: John Lee, Gene Yoder, Bert Ross, John Bowman, Chris McCalib and Don Perry. In addition, the project managers in attendance reported on the projects for other project managers who were not at the meeting. As the reports moved forward, discussions were held and questions were asked and answered.

At approximately 9:00 p.m. Commissioner Jovanovich made a motion that was duly seconded by Commissioner Stewart, to extend the meeting for approximately 30 minutes. The vote was unanimous and the reports continued.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported on the recent watershed tour and noted he found it very informative. Commissioner Stewart spoke about the electrical contract the Board had approved earlier in the meeting and expressed his hope that everything would go smoothly.

STAFF REPORTS

GENERAL COUNSEL: Mr. Pritchett reminded the Board of the Conservation Poster Contest presentation that was scheduled for the Board meeting on June 8th. He noted approximately 450 posters had been turned in to date and invited any Board members who were interested to assist a panel to judge the entries for the 2007 Conservation Calendar. He then stated the Conservation Garden had received its spring cleaning and some new plants had been added to the garden. Mr. Pritchett next indicated that he, along with Commissioner Tweddle and Linda Mogensen, the Board Clerk, would be in Yakima the next Wednesday through Friday attending a Labor Relations Conference. Next, Mr. Pritchett reported there had been further discussion between property owners in Adelaide Beach and the woman, Mrs. Springer, who was considering providing a necessary easement in order to move forward with sewers in that area. Mr. Pritchett then stated he had met with staff from Quadrant to discuss the Capital Facilities Charges issue that had been brought to the Board's attention. He added he felt there would soon be resolution to that issue. Mr. Pritchett then suggested meeting with the Finance Committee to discuss an issue with Foundation House. Lastly, Mr. Pritchett proposed changing some wording on one of the documents that had been crafted relative to the Board appointment; it was the consensus of the Board to direct him to make the proposed change.

DIRECTOR OF FINANCE AND INFORMATION SYSTEMS: Mr. Dennis reported that calculations for the retro-payments to the IUOE members for the time prior to the signing of the current contract have been completed and the union members would be receiving their payments very soon. He noted this had been a long, arduous project for the last two weeks and complimented Carrie Peters, the District's Fiscal Specialist, for her assistance, stating he could not have done this without her able assistance. Mr. Dennis next addressed Commissioner timesheets. He reviewed past practices and then added that, if the Board agreed, staff would simply calculate Commissioner Compensation for meetings attended whenever a timesheet was received. There will be no deadlines, payment for documented time spent working on District-related issues would be reimbursed after receipt of the timesheet.

ENGINEERING MANAGER: Mr. Ross reported staff was planning to provide a presentation to the Board on the GIS system at a meeting in August.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 9:20 p.m.

_____ President Tweddle	_____ Yea	_____ Nay	_____ Abstain
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ATTEST:

_____ Vice President Miller	_____ Yea	_____ Nay	_____ Abstain
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_____ Secretary Jovanovich	_____ Yea	_____ Nay	_____ Abstain
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_____ Commissioner Stewart	_____ Yea	_____ Nay	_____ Abstain
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_____	_____ Yea	_____ Nay	_____ Abstain
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