

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
August 10, 2006

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on August 10, 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 Jovanovich to lead in the flag salute. Members/officials present were as follows:

Beverly Tweddle	President of the Board
Tom Jovanovich	Secretary of the Board
Ron Nowicki	Commissioner
Ed Stewart	Commissioner
Don Perry	General Manager
Bert Ross	Engineering Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Nowicki, the Board unanimously **excused** Commissioner Miller from the meeting as he was out of the country.

APPROVAL OF MINUTES

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** the minutes of the July 27, 2006 Board meeting as submitted.

APPROVAL OF AGENDA

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

CITIZENS COMMENTS

Mr. Ross reported that citizens from the Adelaide Beach area might be coming to the meeting to address the Board about their potential sewer project; however, they had not yet arrived.

CORRESPONDENCE

Commissioner Tweddle acknowledged a document that had been included in the agenda packets congratulating Rick Lortz, the District's Engineering Tech II/CAD/GIS Coordinator, for an award the Washington Chapter of the Urban and Regional Information Systems Association, for which he serves as president received.

CONSENT ITEMS

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 8/8/06, 8/14/06, and 8/15/06
2. 2006-2007 On Call Water Design Services – Contract Approval.
3. South 373rd Street Bridge – Pay Request #2
4. 1st Avenue South and South 320th Street Intersection Improvements –Pay Request #1

Commissioner Nowicki thanked Mr. Dennis for meeting with him earlier in the day to discuss some of the vouchers. He and Commissioner Stewart both shared some concerns, which were addressed by staff. At the conclusion of the discussion, the Board addressed the Consent items.

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

At this point of the meeting a presentation was given from representatives from the Department of Ecology. Alison Evans and David Peeler, Water Quality Program Manager, were in attendance to make the presentation. Mr. Peeler stated what a pleasure it was to be able to congratulate staff from both the Lakota and the Redondo Wastewater Treatment Plants for their outstanding performance during the year 2005. Both treatment plants received awards for having no violations of their NPDES Permits for the entire year. The staff that was in attendance was asked to come forward as the letter of congratulations from Kevin Fitzpatrick, the Water Quality Section Manager of the Northwest Regional office of the Department of Ecology, was read. In addition to the letter of congratulations, a plaque was presented for each plant recognizing the accomplishment. Rich Fujimoto and Jon Hays received the plaques on behalf of the remaining staff for the plants. Commissioner Tweddle then thanked Ms. Evans and Mr. Peeler for attending the meeting to present the awards.

ACTION ITEMS

Since there were representatives from the District's insurance company in the audience, it was the consensus of the Board to address the insurance item first.

#75, Insurance Renewal 2006-2007: Linda Kochmar, the District's Risk Manager/Program Administrator, introduced Steve Carver and Kim Wilson, representatives from Brown & Brown Insurance who had been retained by the District to serve as the District's insurance broker. A revised proposal for the renewal was distributed to the Board and discussed along with the quote that had been provided. During the discussion a brief review of the District's insurance history since 1991 was provided for the benefit of Commissioner Nowicki. Subsequent to the discussion, the Board considered this item.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** the 2006-07 insurance renewal in the total amount quoted to them by staff and the insurance representatives (approximately \$254,000.00). The Board then welcomed Mr. Wilson back and thanked him along with Mr. Carver and Ms. Kochmar for their hard work.

#74, Sewer Survey Results – Phase VI (South Five Mile Lake): John Lee, one of the District's Project Engineers, presented the results of the opinion poll taken in the area south of Five Mile Lake. He stated that a relatively small portion of the property owners responded in favor and went on to provide the break down of respondents. Properties favoring a sewer installation in this southerly area were anticipated to be included with the two areas just west of Five Mile Lake that had been previously approved for sewers. He then explained which properties could be included and their location. He also explained the average cost per parcel for the properties along with additional costs to the District. Mr. Lee noted staff was seeking direction from the Board as to the best way to proceed. It was suggested that the affected property owners be notified of the proposed project with the revised costs to enable them to have accurate information on which to make a better informed decision. Subsequent to the discussion, it was determined to defer further consideration of this project to a future meeting.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** deferral of this item until the second meeting in September, 2006.

As there were two people in the audience that had come to speak to the Board, it was the consensus of the Board to hear their comments at this time. Tracy Rockwell and Brenda Oliver, who were representatives of the Adelaide Beach sewer project, addressed the Board with two concerns relating to their project. A discussion followed in response to their questions; it was noted during the discussion that a developer had purchased property within the basin upstream of their project. This was also discussed and how the proposed development could have an affect on their project. Subsequent to the discussion, the Board thanked the women for coming to the meeting and addressing their concerns.

#76, Board Meeting of 8/24/06; Consider Canceling: Mr. Pritchett noted that staff meets every week to discuss items for future Board meetings and it was determined that there is nothing pressing scheduled for the second meeting in August. Commissioner Tweddle then

stated that, based on this information, the Board needs to determine if this meeting should be canceled.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** canceling the next regular Board meeting that was scheduled to be held on August 24, 2006.

#77, 2006 Well Sites 17 and 19 Stand-by Generator Pad Project – Contract Award:
Stan French, the District's Water Quality/Production Engineer, reported the District had received the results from the bid opening for this project and three bids were received. The apparent low bidder was Hisey Construction, Inc. of Jackson, Wyoming. He noted that the amount of the bid was slightly above the engineer's estimate. He added that reference checks had been completed and staff had received favorable comments. A discussion then followed relating to the scope of this project.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Jovanovich, the Board unanimously **awarded** a contract to Hisey Construction, Inc. of Jackson, Wyoming, for the 2006 Well Sites #17 and #19 Stand-by Generator Pad Installation Project in the amount of \$238,272.00, including sales tax, and **authorized** the General Manager to execute the contract on behalf of the District.

INFORMATION ITEMS

#1, Second Supply Project, Flow Control Facility (SSP1) – Systems Interface Inc. Change Order #2: John Bowman, the District's Water Manager/Special Projects Manager, presented this item. He explained that District staff and employees of Systems Interface, the company contracted to design, build, program and startup the telemetry control panel for the facility, were performing programming and control station logic for this project while the fabricator was developing the wiring control system. Both the District and Systems Interface were provided two separate electrical and control system design revisions. Systems Interface staff has performed extensive design review and on-site modifications in the telemetry control system and programming to address subsequent wiring and control changes by the facility's manufacturer, which resulted in significant design modifications, re-wiring, changing functionality and modifying the programming to incorporate the necessary changes that were not anticipated in the original startup scope. During the discussion, Mr. Bowman also noted other issues with the station as well. He then went on to explain the additional costs and the reasons for them, which resulted in the proposed change order. 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 #78, , Second Supply Project, Flow control Facility (SSP1) – Systems Interface Inc. Change Order #2.**

Action Item #78, Second Supply Project, Flow control Facility (SSP1) – Systems Interface Inc. Change Order #2: Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** Change Order #2 with Systems Interface Inc. in the amount of \$31,709.76 for the Second Supply Project, Flow Control Facility (SSP1).

#2 Server Room Remodel: Mr. Dennis reported that the District's operations have outgrown the current computer server room, which is located on the upper floor in the Administration Building. The existing data center provides neither adequate security, cooling nor sufficient power for any further growth. Staff plans to move the data center from the current location on the main floor into a central vault location in the basement. This room can be secured and the floor, ceiling and walls are all concrete. Additional network, phone, electrical and HVAC will be added to this room as a necessary part of this project, which is planned for the fall of this year. Staff has been working with Seitel Leeds & Associates to compile a set of specifications and cost estimates for these improvements. He noted that he would prefer to do as much work in-house as possible. He then discussed an alternative if this change is not made and things continued as is, which would include placing servers in different facilities in the District. The more servers that are added means the less run time in the event of a power failure. Mr. Perry noted that he felt, in the long run, that this remodel was a good decision. Commissioner Nowicki expressed a concern with the costs presented and noted he wanted to see some more complete numbers; for instance, he felt the renovation of the old server room should be part of the total project. Mr. Pritchett explained staff had conceptually identified that room to be a conference room as the existing conference room is small. He went on to address what he felt would be minor changes to turn it into a comfortable conference room. Also discussed was a prior proposal for a new HVAC system for the entire building. Mr. Pritchett noted that a reflective coating had been installed on the upper floor windows on the west side of the building and the affected employees seem to be very satisfied with the results of this addition. He added that addressing the HVAC system for the entire building would be very costly; however, if the Board directed so, then this could be pursued further. The discussion then moved back to the issue at hand. Commissioner Nowicki stated he would like more information as to the plans for the old server room. It was noted that this item would be back at the first meeting in September as a Consent Item.

#3 2006/2007 Lobbyist Contract: Mr. Pritchett stated the purpose of this item is to consider if the District is interested in being involved in legislative activities in Olympia during the upcoming legislative session. He then reviewed the scope of the lobbyist's contract for 2005; a discussion followed as to the best way to structure a contract for the next session if the Board determined to retain a lobbyist at all. During the discussion, several suggestions were made on how to proceed. Subsequent to the discussion, it was noted that this item would be brought back to the Board for consideration at the next meeting.

#4 Board Field Trip: As the hour was late, it was the consensus of the Board to reschedule this item. Mr. Perry suggested that the field trip be scheduled during the day as it will take two or three hours to cover all of the facilities that have been discussed.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Jovanovich announced that he would be leaving the Board as of August 31, 2006, as he intended to move closer to his work, which would be out of the District's boundary. Since it was determined that the next meeting in August was canceled, Commissioner Jovanovich stated that this would be his last meeting. He stated that serving on the Board has been a great experience for him and added he felt the Board members and staff were great to work with. He added he intended to keep in touch as there were ongoing projects in which he has an interest. Commissioner Tweddle indicated she felt Commissioner Jovanovich had been a great asset to the Board measured in terms of his thoughtfulness on issues and of how things should go, which provided a nice balance.

STAFF REPORTS

General Counsel: Mr. Pritchett thanked Commissioner Jovanovich for his accomplishments while serving on the Board and wished him well. He then reported that he and Mr. Perry would be meeting with the new City Manager for the City of Federal Way the next day and planned to take him on a brief tour. He next stated the property sale adjacent to the 16th Avenue Tank site had been completed earlier in the day and went on to briefly report on discussion that had occurred with the developer of this site. He added he would keep the Board informed of the progress of this item.

Director of Finance and Information Systems: Mr. Dennis wished Commissioner Jovanovich the best of luck and stated he had very much enjoyed working with him.

Engineering Manager: Mr. Ross provided the Board with an update of the Marine Hills - Paul Burton sewer project. Staff estimated that the project would begin within the next few weeks. In response to a question, Mr. Ross added that the sewer project along 28th Avenue South being built by Mr. Lang had been completed and staff was waiting for the asbuilts.

General Manager: Mr. Perry told Commissioner Jovanovich that he would be missed, and wished him good luck. He then indicated that staff had discovered that elected officials would be required to go through the NIMS training as mandated by Homeland Security. He asked the Board to coordinate their availability with staff to determine what dates would be best to take the training. He then reported staff will be setting up a special tour of the Second Supply Project in September or October, as there has been interest expressed in this by several members of the Hylebos Watershed Action Committee, in addition to new City representatives, Board members and others. The tour will be scheduled for late September or early October. He then reported he had discussions with a representative of a group of people who participate in the

“off-leash” area at French Lake Park. There is an interest in filling in the ponds in the park and Mr. Perry explained how this could be accomplished. He added staff would keep the Board informed.

EXECUTIVE SESSION/CLOSED SESSION

At approximately 8:50 p.m., the regular meeting was recessed for the purpose of conducting a closed session in order to consider an employee grievance. It was estimated that there would be action taken at the close of the session. It was stated that the closed session would last approximately ten minutes. At approximately 8:55 p.m., the closed session was adjourned and the regular meeting was reconvened.

Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** amending the agenda to add **Action Item #79, Employee Grievance**.

Action Item #79, Employee Grievance: Upon motion of Commissioner Jovanovich, which was duly seconded by Commissioner Nowicki, the Board unanimously **denied** Step Four of a grievance filed by Tamara Komar on behalf of certain employees objecting to the requirement that employees must use the services of a District-selected facility to have a physical taken for the purposes of obtaining a CDL endorsement and/or renew their health card.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 9:00 p.m.

President Tweddle

Yea

Nay

Abstain

ATTEST:

ABSENT
Vice President Miller

Yea

Nay

Abstain

<hr/> Secretary Jovanovich	<hr/> Yea	<hr/> Nay	<hr/> Abstain
<hr/> Commissioner Stewart	<hr/> Yea	<hr/> Nay	<hr/> Abstain
<hr/> Commissioner Nowicki	<hr/> Yea	<hr/> Nay	<hr/> Abstain