

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
September 28, 2006

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on September 28, 2006 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington, 98003.

Vice President Miller opened the meeting at 6:00 p.m. and led in the flag salute. Members/officials present were as follows:

Don Miller	Vice President of the Board
Ron Nowicki	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

OATH OF OFFICE

At this time, Mr. Pritchett administered the Oath of Office to Chuck Gibson for Position #3 on the Board that was recently vacated by Tom Jovanovich.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **excused** Commissioner Tweddle as she was unavailable.

APPROVAL OF MINUTES

Upon motion of Commissioner Stewart, which was duly seconded by Commissioner Nowicki, the Board, with Commissioners Miller, Nowicki and Stewart voting in the affirmative and Commissioner Gibson abstaining, **adopted** the minutes of the September 14, 2006 Board meeting as submitted.

APPROVAL OF AGENDA

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

CORRESPONDENCE

Reference was made to a letter that was included in the Board's agenda packets from Mr. Kirk Shoopman, who was requesting that the District consider allowing him to obtain his sewer

3. Lakota Lighting Conservation Project; Conservation Grant Agreement with Puget Sound Energy and **authorized** the General Manager to sign the agreement on behalf of the District.

ACTION ITEMS

Action Item #88, Clark Water Connection Charges: Mr. Ross stated that some slight changes had been made to the documentation, but the recommendation of staff remained the same. Mr. Pritchett then reviewed the issue and a discussion followed. Subsequent to the discussion, the Board considered this item.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the connection charges as recommended by staff for the single family residence that will be constructed on one of the parcels owned by Ms. Clark.

#86, Sewer Survey Results – Sub Area (South Five-Mile Lake): John Lee, one of the District's Project Engineers, addressed this topic. Staff was directed by the Board to resurvey a sub-area south of Five Mile Lake to obtain information as to the interest of installing sewers in that targeted area. Maps and cost estimates to provide sewer service were mailed to the 45 property owners and staff received responses from 28 of them, or 62% of the total. Only 13 property owners responded in favor of the project and five more responded as a "maybe". These two responses totaled 40% of the property owners. The area north of this area had already been approved by the Board for the installation of sewers and the results from this item would either add to that project, or the project would be disregarded, depending on the Board's action. Mr. Lee went on to explain the approximate costs for the project and reviewed the area in question on the map that was provided. It was noted during the discussion that the Board was interested in taking whatever action was required that would be in the best interest of the residents. A suggestion was made to have the neighbors in the area contact the property owners that indicated they were not interested to make sure they understood the project.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board unanimously **approved** tabling this item for a period of one month at which time it would come to the Board once again.

#87, Special Board Meeting – Facility Tour: Mr. Perry stated his desire to schedule a special meeting for the purpose of familiarizing the Board with the District's many pump stations and projects that will be addressed during budget discussions in the near future. He noted the tour would take approximately four hours to complete.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously approved scheduling a special meeting to be held on October 17th, 2006 at 31531 First Avenue South, beginning at 12:00 p.m. The purpose of the meeting will be a tour of District facilities and installations.

INFORMATION ITEMS

At this time, it was the consensus of the Board to address Information Item #3, Insurance Broker Contract Renewal, next as Steve Carver, the broker's representative, was in the audience to answer any questions the Board may have.

#3, Insurance Broker Contract Renewal: Mr. Pritchett noted copies of the contract were included in the agenda packets to facilitate the discussion. He noted he was proposing to get consensus of the Board at this meeting. Commissioner Miller indicated that the Insurance Committee had met with the broker's representatives. He referred the Board members to an area in the contract that addressed the tasks of the account representatives and Mr. Carver briefly explained the tasks. Commissioner Miller also briefly discussed the procedure District staff follows when claims occur.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Nowicki, the Board unanimously approved amending the agenda to add **Action #89, Insurance Broker Contract Renewal – Board Approval.**

Action #89, Insurance Broker Contract Renewal – Board Approval: Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the broker agreement with Brown and Brown for a three year period.

It was the consensus of Board to next address Information #4, Dump Truck Replacement.

Information Item #4, Dump Truck Replacement: Gene Yoder, the District's Field Operations Manager, stated the District currently uses a 1981 Ford Dump Truck, which was purchased as a used vehicle in the mid-1990's and utilized since that time to transport Biosolids from the Redondo Wastewater Treatment Plant. Over the last few years, more frequent mechanical problems have occurred requiring more extensive repairs. In addition, it was recently discovered that the dump box needs to be replaced. Mr. Yoder reviewed all the costs for the various components for a new vehicle, which totaled approximately \$160,000. He was then asked if staff had investigated to determine if any used vehicles were available. Mr. Yoder stated he would look into that possibility and bring the item back to the Board for consideration at the next meeting. The Board thanked Mr. Yoder for the presentation.

As there were representatives in the audience to make a presentation regarding the Comprehensive Water System Plan, it was the consensus of the Board to address this item next.

#2, 2006 Comprehensive Water System Plan - Presentation: Mr. Ross introduced Marty Penhallogen and Susan Boyd of Pace Engineers, Inc., the consulting firm retained to prepare the District's Comprehensive Water System Plan and to manage the approximate six-

month approval process by the various reviewing city, county and state agencies having jurisdiction. Mr. Penhallogen began by addressing the Board and reviewing the steps taken to develop the plan. He thanked Mr. Ross and staff for the effort they contributed to assist in the preparation of the plan.

Ms. Boyd then began the presentation with a summary of the content of the 2006 plan. Each Board member received a hard copy of the plan to review, if they wished. She had prepared a PowerPoint presentation to assist in the discussion of the plan. She first reviewed the goals and objectives of the plan, and then reviewed the following: the service area that was included in the plan, the interagency coordination that was necessary for the update, compliance with regulatory agencies and other jurisdictions and agencies. Other elements of the plan that were discussed included projection of future water demand and system needs, evaluation of the ability of the system to meet future needs, consideration of all available water resources, development of water reuse alternatives as well as a long range plan for improvement and development of the system. She pointed out the necessity of being consistent with the municipal and water law as well as the coordination with the other agencies. She then reviewed other elements of the plan and explained why some of the numbers that were discussed were high. Subsequent to the presentation, a discussion followed. It was noted that the data used dated up to December 31, 2005. Commissioner Miller suggested that if Board members had any questions about the plan that they contact staff. Mr. Perry stated staff wanted to move this plan forward along with OASIS and the Water Reuse Plan, and recommended the Board consider scheduling a special meeting to discuss these items.

Subsequent to the discussion, the Board thanked Ms. Boyd and Mr. Penhallogen for the presentation. This item will be discussed further at a future meeting.

#1 CIP/Budget and Status Report: Mr. Dennis began by distributing handouts to the Board to facilitate the discussion. He stated the projects that would be presented were the projects in which there were expenditures for the current year. He also stated that he hoped this was the last CIP/Budget and status report that would be presented as a board item as he planned to present a monthly report and include it in the agenda packets in the future. He explained the definitions that were included for each project in the handouts. He then turned the presentation over to the project managers. The following project managers were present to discuss their projects as well as provide information for those managers that were not in attendance: Gene Yoder, John Lee, Don Perry, Chris McCalib, John Bowman, Stan French and Bert Ross.

At approximately 8:55 p.m., Commissioner Gibson made a motion, to which Commissioner Nowicki seconded, to extend the meeting to 9:15 p.m. and the vote was unanimous. The presentation then continued.

At the conclusion of the presentation, Commissioner Miller thanked the project managers for presenting their projects to the Board. It was then announced that a Finance Committee meeting had been scheduled to be held the next day.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported he had attended a Safety Committee Meeting and an EMAC meeting. In addition, Commissioner Nowicki announced the next Operations Committee meeting was scheduled for October 10, 2006 and reiterated the Finance Committee meeting was scheduled for the next day.

STAFF REPORTS

General Counsel: Mr. Pritchett reported he would be attending a Washington State Association of Municipal Attorneys conference in Spokane the next week. He added that it appeared the IUOE union had submitted one and possibly two Unfair Labor Practices for reasons that weren't stated in the documents. He noted the Public Employment Relations Commission, which has jurisdiction over these issues, would probably be contacting the union. He noted he would keep the Board informed. He then reported a letter had been sent to the contractor on the Lakota Sludge Dryer project and a meeting had been scheduled to be held on October 12th. Mr. Pritchett then discussed the temporary service policy, which would come into play when someone needs service and it isn't feasible to build permanent facilities at that particular time. In this type of situation, temporary service could be considered. Staff believes the property owner would be required to provide the District with an easement across their property for the future location of the permanent main if the permanent main, or portions of it, would be located across private property rather than right of way. He noted staff would like to bring this to the Board at the next meeting under the Consent Agenda to modify the procedure.

Director of Finance and Information Systems: Mr. Dennis reported the State Auditor had begun the 2005 audit and an entrance conference will be scheduled.

General Manager: Mr. Perry reported he and Mr. Bowman had met recently with the Mayor and Public Works Director from the City of Edgewood. They are very anxious to get an agreement between both agencies regarding Edgewood sewer service, and Mr. Perry indicated staff would be working to develop an agreement that will satisfy both parties. The Board will be provided a copy of the draft agreement for their input as soon as it is in final draft form.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 9:14. p.m.

President Tweddle

Yea

Nay

Abstain

ATTEST:

_____ Vice President Miller	_____ Yea	_____ Nay	_____ Abstain
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_____ Secretary Nowicki	_____ Yea	_____ Nay	_____ Abstain
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_____ Commissioner Stewart	_____ Yea	_____ Nay	_____ Abstain
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_____ Commissioner Gibson	_____ Yea	_____ Nay	_____ Abstain
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