

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
July 12, 2007

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on July 12, 2007 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington, 98003.

President Miller called the meeting to order at 6:00 p.m. and asked Commissioner Gibson to lead the flag salute. Members/officials present were as follows:

Don Miller	President of the Board
Ron Nowicki	Vice President of the Board
Chuck Gibson	Secretary of the Board
Ed Stewart	Commissioner
Beverly Tweddle	Commissioner
Don Perry	General Manager
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

APPROVAL OF AGENDA

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

COMMISSIONER COMMENTS

Commissioner Miller announced that on July 24th there is an invitation to the Regional County Emergency Center and anyone wishing to attend can meet at the District at 10:00 a.m. The event starts at 11:00 a.m. and ends at noon. Dale Haase will arrange for a van for transportation to the Regional County Emergency Center in Renton. Commissioner Miller highly recommends that everyone attend.

Informational hand outs were given on safety and terrorist attacks from the Department of Health and Human Services and City of Seattle Emergency Management. Discussion was held on Developer Extension Agreements and cost allocations.

CONSENT AGENDA

Prior to approval of the consent agenda, there was a discussion about electrical work and fees for electrical design. Discussion was also held on the District's purchase of a golf cart for in-plant use.

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 7/9/07, 7/12/07, 7/13/07 and 7/16/07.

Maintenance Fund No. 11-333-0510

7/12/07 Voucher no. 9219-9299, total amount of \$154,108.03;
7/13/07 Voucher nos. 9300-9301, total amount of \$172.57.

Construction Fund No. 11-333-3510

7/16/07 Voucher nos. 9302-9305, total amount of \$33,683.56.

PWTF Redondo Outfall Fund No. 11-333-6040

None

Payroll – Fund No. 11-333-0530 07/09/07

Warrants:	\$	0.00
Direct Deposits:	\$	157,383.54
Benefit Warrants:	\$	136,332.00
		(voucher nos. 9203-9218)
<u>Withholding/FICA</u>	<u>\$</u>	<u>64,212.48</u>
Total Amount of:	\$	357,928.02

ACTION ITEMS

#45, City of Edgewood Service Agreement with Lakehaven Utility District Boundary Map Change in Exhibit “C”: The City of Edgewood staff has notified District staff that the City of Edgewood City Council has made changes to the service area map that was used to generate the current Exhibit “C” to the Sewer Service Agreement between City of Edgewood and Lakehaven Utility District. City staff discovered this and has sent us a corrected Exhibit “C”.

Consistent with the Agreement, the City had submitted the documentation to provide the District with information that the City Council has approved this change. Staff discussed the change approximately 3 months ago with the Board, but is now requesting formal authorization to incorporate this change.

Mr. Perry went on to explain that the Exhibit ‘C’ attached to Action Item No. 45 is correct and the one he has handed out to the Board tonight is the original Exhibit ‘C’ in the original contract with the changes made to it for clarifying what was change from the original Exhibit “C”. The new Exhibit ‘C’ adds area that the District can provide service to.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** the new Exhibit "C" and incorporating this change in the Agreement.

#46, Asphalt Program: As part of the District's normal work in installing services, renewing services and performing hydrant work, it is often necessary to remove asphalt and/or concrete to expose mains and other infrastructure. After work is completed, the City and/or County require the District to replace the sections of disturbed surface material and bring it back to their standards. The contract covers this work and the work required as manholes are raised back to grade after the City and/or County streets are overlaid. For the years mid 2004-2007, the District spent a total of \$445,200.00 to have this work completed by an outside contractor, which has now expired. New bids have been received and they are far over what was budgeted. Mr. Perry commented on the high bid amounts and that they came in 40% higher than the engineer's estimate. Dale Haase added that the bids looked high to him as well, and that he would bring more bids forward at the August meeting.

It was the consensus of the Board to table **Action Item #46** at this time.

CITIZENS COMMENTS

Paul Burton came before the Board about a lot in Marine Hills that he has been developing. He wants to run sewer in the area, but does not want to do a ULID because of retirees in the area. He decided to do this privately and put a plan together. He made contractual agreements regarding bid amounts and the price to do this has gone way over what was anticipated. He has been fronting all the monies himself for all costs exceeding the contractually set price of \$5,000.00. He would like to avoid going back to the other property owners time and time again to ask for more money. He hasn't received any funds from the District and would like to be paid. He owes his contractor \$130,000.00. He is requesting that the last \$7,000 to \$10,000 dollars that he owes the district be deduced from the monies owed him by the District at the end of the project rather than he having to pay these costs now and be reimbursed later, and so that he only has to go back one time to other property owners to ask for additional monies. He would like suggestions from the Board on what he needs to do to get this moving forward. Mr. Pritchett commented that we have a contract on this matter and that he would like to review it, along with the exchange of emails between Mr. Burton and District staff. Commissioner Miller discussed ways of trying to work with Mr. Burton on this so the matter could be resolved. There has been a stop work order put on this project because of non-payment of a bill. It was the consensus of the Board to look at the matter from a legal standpoint for final payment and to bring this matter back before the Board for action at the next Board meeting.

INFORMATION ITEMS

#1, Pandemic Influenza Response Plan: Mr. Perry, the District's General Manager, discussed the Emergency Management Action Plan and the need to update the District's

Emergency Response Plan to include a section on how to respond to a Pandemic Influenza incident. He asked that the Board review the Pandemic Influenza Response Plan. He would like to bring this matter back before the Board for action to incorporate the Pandemic Influenza Response Plan into the Lakehaven Utility District Emergency Management Plan. He further explained he would be more than happy to modify the plan in the event the Board thinks it needs modifications. He discussed with the Board who defines a Pandemic and how the declaration is implemented. He added that he thought this would be good to have this in place so that staff would know what the expectations would be of them in the event of a Pandemic.

#2, 2007 Association of Metropolitan Water Agencies Conference: The Association of Metropolitan Water Agencies (AMWA) will be holding their 2007 Annual Conference in Seattle, Washington from October 21st through October 24, 2007. Estimated cost for registration for the conference is \$600.00. Mr. Perry thought it would be good for the Board to look at the conference agenda, as he thinks it would be beneficial and cost effective to have staff and Board members attend.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **amended** the agenda to add **Action Item #47, 2007 Association of Metropolitan Water Agencies Conference ; Approval.**

Action Item #47, 2007 Association of Metropolitan Water Agencies Conference; Approval: Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Tweddle, the Board unanimously **approved** registration for the conference for any Board member wishing to attend.

#3, North Lake Sewers – Assessment Basis: John Lee reported that Wiseman Utilities, Inc., was sent a notice of the Award of Contract that was approved by the Board at the June 28th meeting. The property owners were advised of the average cost per parcel for the charge in lieu of extension for the project. A more exact per lot cost now needs to be determined and provided to the property owners before they are authorized to connect. He went on to discuss the four options for the parcel assessments as follows: (1) actual front footage, (2) average per parcel, (3) total area per parcel, and (4) square root of the parcel area. He explained to the Board the pros and cons for each item. He reported that staff recommended option 4 (square root of the area) because it is most equitable and addresses the short comings of the other three options. Narrow parcels with short frontages along roads are assumed square to derive a reasonable front footage that is proportionate to a lot's area. Smaller parcels pay a reduced amount with respect to larger parcels that is proportionate to the square root of their area. This method was also successfully utilized in the Lakota Beach Sewer Project. There was further discussion about how to derive the square root and different methods to get to a proportionate share for each lot. John gave an update on effective notice to proceed.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board unanimously **amended** the agenda to add **Action Item #48, North Lake Sewers – Assessment Basis; Approval.**

Action Item #48; North Lake Sewers – Assessment Basis Approval: Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Tweddle, the Board with Commissioner Gibson abstaining, unanimously **approved** that cost be allocated under option (4) using the “square root of the parcel area” to determine the charge in lieu of extension for each lot.

#4, Unit #414 Replacement: Dale Haase reported on replacement of Unit 414, a 1993 Chevrolet that is currently being used for performing the tasks of mail runs, employee transportation and Redondo on-call. This vehicle is due to be replaced next year and staff would like to move it up to this year because of engine repairs that are needed. Staff is proposing to replace the vehicle with a new Toyota Prius. Staff feels the new Prius is suited for the aforementioned tasks, has good fuel mileage (51 highway, 60 city) while meeting all current transportation requirements needed by staff. The total cost, including accessories and tax, would be less than \$26,000.00. Commissioner Stewart questioned the Driver’s Vehicle Inspection Report submitted by staff and why every box was checked as defective. The Board expressed concerns about the price of the car. Mr. Haase explained that staff had considered environmental issues in choosing the type of car. The Board asked that staff come back with some other alternatives. The Board would like staff to research vehicles that can be purchased for under \$20,000.00 total, and will fit all needs.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported that he and Commissioner Stewart attended the Emergency Management Advisory Committee meeting. He also reminded the Board of the special meeting on July 19th at 1:00 and the invitation to visit the Regional County Emergency Center in Renton on July 24th.

Commissioner Nowicki reported on the handout of Financial Report for 2006. He would like the Board to review this prior to the special meeting on July 19th covering Rates and Capital Facilities Charges.

Commissioner Nowicki commented on the memorandum from Mr. Pritchett about King County Ordinance 15757. Mr. Pritchett explained the District’s small portion of sewage to Metro and that he would be drafting a letter to King County on the matter to address the District’s concerns with the ordinance and avoid possible litigation.

STAFF REPORTS

General Counsel: Mr. Pritchett stated a report was made to the District about another instance where people went to homeowners in the area asking to check water quality and portraying themselves as someone from the District. He thinks it is important to alert the customers of this and to notify the customers that they should not allow people in their homes without proper identification. He further stated that the District wants to be proactive in the safety of its customers. He commented that he and John Bowman attended another annexation meeting Tuesday night. There was another meeting scheduled for tonight, and other meetings to follow. Commissioner Stewart will be attending two meetings held in his area as well.

Engineering/Water Manager: John Bowman reported that we exceeded over 20 million gallons of water over the past couple of days and that the water demand is near expectations. He discussed the limitations the District has had drawing Second Supply Project Water and that they found the limit at one of the flow control stations from the project. He also mentioned that they could have been drawing more water from a second supply project, but couldn't because the flow control station (SSP#1) is not yet operational.

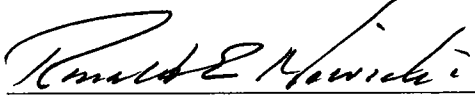
General Manager: Mr. Perry reported that the City of Federal Way City Council Committee voted on money for new snow removal equipment and a generator at the Community Center to fully power use of the facility in the event of an emergency, plus two more portables and AM radio communication device station equipment. The full City Council is scheduled to vote on the proposal shortly.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:00 p.m.

_____ President Miller	_____ Yea	_____ Nay	_____ Abstain
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ATTEST:

 _____ Vice President Nowicki	_____ /	_____ Nay	_____ Abstain
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 _____ Secretary Gibson	_____ ✓	_____ Nay	_____ Abstain
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Edward B. Stewart
Commissioner Stewart

✓
Yea

Nay

Abstain

Beverly J. Twedde
Commissioner Twedde

✓
Yea

Nay

Abstain