

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
June 25, 2009

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on June 25, 2009 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

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

Charles Gibson	President of the Board
Edward Stewart	Vice President of the Board
Donald Miller	Secretary
Ronald Nowicki	Commissioner
Leonard Englund	Commissioner
Don Perry	General Manager
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board, with Commissioners Gibson, Nowicki, Miller and Englund voting in the affirmative and Commissioner Stewart abstaining, **excused** Commissioner Stewart from the Board meeting of June 11, 2009.

APPROVAL OF MINUTES

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Englund, the Board unanimously **adopted** the minutes of May 28, 2009 and June 9, 2009, as presented.

APPROVAL OF AGENDA

Mr. Pritchett requested to add an Executive Session to discuss property acquisition and potential litigation.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the agenda as amended above.

CITIZEN COMMENTS

Dan Davidson of 1504 SW 325th Place, Federal Way, Washington reported he was present to discuss a sewer problem he was having concerning a sewer permit he had applied for

in February. Much discussion was held on the matter. Mr. Yoder reported there are two breaks in the sewer line and that there is a joint side sewer agreement between Mr. Davidson and his neighbor. The Board explained to Mr. Davidson that the side sewer is privately owned by him and his neighbor and that the District cannot force the neighbor to contribute towards the cost of repairing the line. The Board provided Mr. Davidson with information on several different alternatives in remedying the situation. Mr. Yoder reported that he has previously talked to Mr. Davidson's neighbor and made him aware of the situation and told him that it needed to be fixed. Mr. Yoder offered to talk to Mr. Davidson's neighbor again and explain the process to fix the sewer line.

Mr. Poto Wellington, of 30604 24th Ave SW, Federal Way, WA 98023, was present at the meeting to discuss a past due balance on his rental home. He reported that he had made an agreement with the renter to pay the past due balance for her and then she could pay him back. When he made the second payment in early March, the District applied it as a credit to the bill of his current renter. He has received a lien letter on this and would like to resolve the matter. Mr. Pritchett stated he would be happy to meet with Mr. Wellington and Jean Gardiner in Customer Service to see if this matter can be resolved. Mr. Pritchett provided Mr. Wellington his contact information and Mr. Wellington stated he would contact the District and set up a meeting date.

CORRESPONDENCE

Discussion was held on the correspondence received from Sudeep Diwan regarding charges for service installations. Mr. Pritchett reported that he would draft a letter to the property owner in response indicating that these are actual costs and that they need to be paid. Commissioner Gibson will review and sign the letter.

Mr. Bowman gave an update on the Lakota outfall pipe exposure and reported that crews anticipate finishing late Friday which will bring this project to completion.

CONSENT AGENDA

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

Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 6/16/09, 6/17/09, 6/18/09, 6/23/09, 6/24/09, 6/25/09, and 6/26/09.

Maintenance Fund No. 11-333-0510

6/16/09 Voucher nos. 17090 & 17091, total amount of \$1,319.14;
6/17/09 Voucher nos. 17092-17183, total amount of \$1,149,510.67;
6/23/09 Voucher nos. 17206 & 17207, total amount of \$107.77;
6/24/09 Voucher nos. 17208-17270, total amount of \$247,922.79;
6/26/09 Voucher no. 17280, total amount of \$57,502.77.

Construction Fund No. 11-333-3510

6/18/09 Voucher nos. 17184-17191, total amount of \$177,339.43;

6/25/09 Voucher nos. 17271-17279, total amount of \$115,034.30.

Payroll – Fund No. 11-333-0530 06/23/09

Warrants: \$ 2,038.94

Direct Deposits: \$ 196,838.36

Benefit Warrants: \$ 71,207.07

(voucher nos. 17192-17205)

Withholding/FICA \$ 81,630.08

Total Amount of: \$ 351,714.45

ACTION ITEMS

#1, Creekside Lane Sewer Oversizing Reimbursement: Tim Osborne reported on the Creekside Lane Sewer Oversizing Reimbursement. On January 22, 2007 the Creekside Lane Project Developer Extension Agreement was executed. The Board then approved an amendment to the Developer Extension Agreement with Harbour Homes, Inc., for oversizing reimbursement in an amount not to exceed \$86,100.00. Harbour Homes, Inc. installed 2,527 linear feet of 12-inch sewer main. Staff has evaluated the “as-built” quantities and actual invoices for this project and recommends approval of oversizing reimbursement in the amount of \$70,917.58. This amount is 12.51% of the total sewer construction costs for the project, which is well within the 49% cost of construction threshold for public bidding requirements. Staff is requesting the Board approve of the oversizing reimbursement to Harbour Homes, Inc., in the amount of \$70,917.58, including tax.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Miller, the Board unanimously **approved** the oversizing reimbursement to Harbour Homes Inc., in the amount of \$70,917.58, including tax, and authorized the General Manager to execute the reimbursement on behalf of the District.

INFORMATION ITEMS

#1, Contribution to Planning Activities for Special Purpose Districts: Steve Pritchett reported that the District received a request to participate in funding for expenditures related to growth planning activities within King County beneficial to the interests of water/sewer districts in King County. He has attached a copy of the letter from the Cedar River Water and Sewer District explaining the planning activities and request for contribution. Commissioner Nowicki reported that he handed out a packet of information on this matter. Discussion was held on the various benefits to the District and other supporting local water and sewer districts. Discussion was also held on the amount of monies that should be contributed. Mr. Pritchett reported that he sent an email to Hal Schlomann to inquire if any of these monies were used for litigation

purposes. He is waiting for a response from him on this and will move this matter to an action item upon verification on funding.

#2, 2010 Rate/CFC Review – Consultant Contract: Mr. Dennis reported that he mentioned at the meeting before the last that staff was looking to have Financial Consulting Solutions Group (FCSG) come in and take another look at the rate model, capital facilities charge (CFC) model and to estimate the District's cost to provide fire suppression services. Mr. Dennis believes it is a good time to do this since the information is currently being reviewed. He stated that it would be a better fit this time around to have Kennedy Jenks be a sub-consultant to FCSG instead of having the District manage both contracts. Mr. Pritchett commented that it would be beneficial for the District to continue its relationship with FCSG. Commissioner Miller reported that he met with Mr. Dennis on this matter and agrees with the scope of work and budget for the 2009 rate and CFC update. Mr. Dennis reported that he will have this contract ready and added as a Consent Item at the next Board meeting for approval.

#3, 2009 OASIS Monitoring Wells Drilling Project: Stan French reported that he wanted to present the results of the bid opening and the 2009 OASIS Monitoring Wells Drilling Project. Mr. French stated that without going into a lot of detail, there are many unknowns with the OASIS Project as far as the affects on the aquifer and surroundings. This particular contract is intended to drill three swallow wells. Mr. French included an exhibit of a map that shows the locations of these three sites. The District solicited bids for a single drilling contractor to construct all three piezometer wells and received two qualified bidding proposals. The low bid received was \$39,146.25, including tax, from Boart Longyear of Milton, Washington. Staff completed an evaluation of the low bid submittal and determined it to be a reasonable amount for the drilling project and the bidder is qualified to complete the work in accordance to the bid specifications.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Miller, the Board unanimously **amended** the agenda to add **Action Item #2, 2009 OASIS Monitoring Wells Drilling Project; Approval.**

Action Item #2, 2009 OASIS Monitoring Wells Drilling Project; Approval: Upon motion of Commissioner Miller, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the General Manager to execute a contract with Boart Longyear in the amount of \$39,146.25, including tax, for the 2009 OASIS Monitoring Wells Drilling Project.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported that he met with Mr. Dennis on the rates and CFC review.

Commissioner Nowicki attended the MUPAAC meeting yesterday and reminded everyone of the Brightwater tour.

Commissioner Stewart asked about the sound system that was approved for the Board room. Mr. Dennis reported that has contacted the company that bid the job several times about setting up a date to install the system. He said he has given them a deadline of July 10th to complete the job.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that he will be providing the Board with copies of correspondence to an attorney for Mr. Canady relating to an easement that the District is requesting across his property t for a water line.

Director of Finance/Information Systems: Mr. Dennis reported that starting in July, the District will be sending out sewer bills to customers in the Metro and Pierce County areas with the new rate adjustments. These customers will notice that their rates have increased substantially and the District is expecting an increase in calls from customers on this. The District has sent out notices about this rate increase, as well as scheduled meetings for interested customers, to prepare them for the increase in sewer rates so the District will break even with the amounts Metro and Pierce County charges the District.

Engineering/Water Manager: Mr. Bowman reported he had a meeting with the Army Corp of Engineers to get a sense of plans for the repairs at Howard Hansen Dam and also to get some input on funding for the fish project. Mr. Bowman commented that this leaves the District in a difficult position on storage of water and that the partnership is frustrated with timelines. The cost of the project will be increasing and the level of contribution will go up some degree. He will keep the Board informed on the status of the project. Mr. Bowman commented that the graphs on the bills from the District look very nice.

General Manager: Mr. Perry stated he had two quick items to report on. He informed those Board members and staff going to Emmitsburg that they needed to complete a form on their flight schedules and get it to Ray Gross by June 30th. He commented that he had a copy of a form that he would provide to everyone going to Emmitsburg. He also reported that he is on the selection committee for Green River Treatment Plant LT2 Compliance Decision Project and will be at a meeting for this on Monday. He further reported that the District received an email and request from Cascade Water Alliance asking if the District would have an interest in sharing information on the OASIS project with them.

EXECUTIVE SESSION

At approximately 8:12 p.m., the regular meeting was recessed in order to conduct an Executive Session for the purpose of discussing property acquisition and potential litigation. It was stated that the Executive Session would last approximately 20 minutes for both items of discussion. At approximately 8:32 p.m. the session was extended 10 more minutes. At

approximately 8:42 p.m., the Executive Session was adjourned and the regular meeting was reconvened.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:43 p.m.

 _____	<input checked="" type="checkbox"/>	_____	_____
President Gibson	Yea	Nay	Abstain

ATTEST:

 _____	<input checked="" type="checkbox"/>	_____	_____
Vice President Stewart	Yea	Nay	Abstain

 _____	<input checked="" type="checkbox"/>	_____	_____
Secretary Miller	Yea	Nay	Abstain

 _____	<input checked="" type="checkbox"/>	_____	_____
Commissioner Nowicki	Yea	Nay	Abstain

 _____	<input checked="" type="checkbox"/>	_____	_____
Commissioner Englund	Yea	Nay	Abstain