

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
July 9, 2009

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on July 9, 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

APPROVAL OF MINUTES

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Englund, the Board **adopted** the minutes of the June 11, 2009, Board meeting as presented.

APPROVAL OF AGENDA

Mr. Pritchett requested the Board amend the agenda to add an Executive Session for the purpose of discussing potential litigation.

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

CITIZEN COMMENTS

Dennis Beckwith introduced himself and stated he wanted to discuss the depth requirement of his sewer line that he is installing at his property. However, his engineer was not in attendance with the necessary drawings and he wanted to wait until the engineer arrived to discuss his issue.

CORRESPONDENCE

The Board recognized a letter from State Representative Mark Miloscia congratulating the Lakota Wastewater Treatment Plant for receiving the "Outstanding Wastewater Treatment Plant Performance" award for 2008, which was being presented later in the meeting.

CONSENT AGENDA

Mr. Dennis provided a revised fees schedule for Item #2 and noted the changes. There was no difference in the total costs; the revision included an update of individual rates for Kennedy/Jenks Consultants.

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 6/30/09, 7/2/09, 7/7/09, and 7/8/09.

Maintenance Fund No. 11-333-0510

6/30/09 Voucher nos. 17281-17326, total amount of \$86,771.50;

7/7/09 Voucher nos. 17348-17406, total amount of \$118,562.68.

Construction Fund No. 11-333-3510

7/2/09 Voucher nos. 17327-17332, total amount of \$23,991.41;

7/8/09 Voucher nos. 17407-17415, total amount of \$31,736.92.

Payroll – Fund No. 11-333-0530 07/08/09

Warrants: \$ 0.00

Direct Deposits: \$ 196,451.58

Benefit Warrants: \$ 165,029.18

(voucher nos. 17333-17347)

Withholding/FICA \$ 81,926.31

Total Amount of: \$ 443,407.07

2. Rate/CFC Update – Approval of Consultant Contract with FCSG.

ACTION ITEMS

#1, Board Meeting Schedule: Mr. Pritchett reported that it appeared that one or more Board members and three staff members were scheduled to be out of town on August 13, 2009, the date of the second regularly scheduled meeting in August. The Board discussed canceling this meeting with the possibility of scheduling a special Board meeting if necessary to discuss any pending issues.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **agreed** to cancel the Board meeting on August 13, 2009.

#2, Resolution of Commendation – Jon Hays; Resolution No. 2009-1131: As Mr. Hays was unable to attend the Board Meeting Commissioner Gibson read the resolution of commendation into the record, commending Jon for his years of service at the District. As a celebration for Jon was planned the next week, it was determined that he would be presented the resolution at that time. Subsequent to the reading of the resolution, Commissioner Miller commended Jon for all the hard work he has contributed throughout the years.

Upon motion of Commissioner Miller, which was duly seconded by Commissioner Englund, the Board unanimously **adopted** Resolution No. 2009-1131, commending Jon Hays for his years of dedicated service to the District.

Department of Ecology Presentation of “WWTP Outstanding Performance Award”. Karen Burgess, Municipal Unit Supervisor and Alison Evans, Facility Manager for the Lakota and Redondo wastewater treatment plants, were both in the audience to present the award to the Lakota Wastewater Treatment Plant staff. It was noted that the Lakota plant last received the award in 2005 and six times since 1995. A letter from the Water Quality Program Manager was also presented specifically recognizing the operators for protecting Dumas Bay and the Puget Sound. Mike Ming, Norman Cook and Chris McCalib were in the audience to accept the award on behalf of the plant staff. Commissioner Gibson stated he hoped that staff knew the Board appreciated all the hard work they have done and thanked them again. Mr. Perry added his congratulations to staff.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported he attended a FEMA meeting earlier in the day as well as Safety and EMAC meetings earlier in the week. He added he would like to have a meeting of the Finance Committee in the near future. Commissioner Nowicki reported he attended an Engineering Planning meeting the prior day and provided a review of the content of the meeting. He added he had also attended the meeting earlier in the day. Commissioner Englund thanked Mr. Bowman, Mr. McCalib and Mr. Cook for hosting him the last few days in general meetings to help him understand the business and to be a better commissioner. He added he has been very impressed with operations and added he felt everything seems to be running very efficiently. He also thanked Mr. Perry for the help he provided to him. Commissioner Gibson reported he had attended an Economic Development Committee meeting and went on to review the discussion that took place regarding new service connections in the area. He added he had also attended the Government Affairs Committee meeting during which the Howard Hanson Dam project was discussed. A discussion followed as to possible ramifications to the surrounding area if flooding at the dam occurs. Commissioner Stewart reported he had attended the Safety Committee meeting earlier in the week.

STAFF REPORTS

General Counsel: Mr. Pritchett reported he had sent an email to Hal Schloman of the Washington Association of Sewer and Water Districts asking for information relating to the request for funds to be spent on growth planning activities within King County that would be beneficial to the interests of water/wastewater districts in the county. He wanted to ensure that none of that money is put towards funding the lawsuit involving the Brightwater Treatment Plant. After discussion, Mr. Pritchett stated he would bring this item to the next Board meeting on the Consent agenda.

Director of Finance/Information Systems: Mr. Dennis reported the new sound system had been installed and is functioning properly for the most part. He next discussed the web application system for accepting customer water and sewer payments over the web and phone lines. The Board adopted the program in February with transactions being limited to \$1,000.00, at Mr. Dennis's suggestion. He explained the dilemma that has occurred by limiting the dollar number and suggested the Board consider removing the dollar limit. Subsequent to a discussion of this issue, it was the consensus of the Board to direct Mr. Dennis to remove the current dollar limit for payment transactions. Mr. Dennis next suggested retaining the services of Jim Thiel, the consultant who provides finance services to the District, to review invoices and related billing issues of the District's consulting engineers. He noted he felt the cost of such a project would not exceed \$10,000.00. A discussion followed and it was the consensus of the Board to direct Mr. Dennis to pursue this issue. Mr. Dennis next reported that the District had retained the services of Seitel Systems, LLC for additional IT support to enhance the District's MIS support over the last year. The contract was to run through the end of 2009; however, at the end of July the contract will be concluded. Mr. Dennis added he would like to amend the current contract to extend through the fall of 2010; at that time staff would move forward with another Request for Proposals (RFP). A discussion followed as to the tasks that personnel from this firm perform and the best way for the District to proceed. Subsequent to the discussion, it was the consensus of the Board to direct staff to extend the existing contract through the end of 2009 at which time staff will move forward with an RFP for the next two years.

At this point, Terry Ferguson, the engineer for Mr. Beckwith arrived. He stated he was not prepared to present anything at this meeting but would like to come back at a future meeting to discuss the issues.

Engineering/Water Manager: Mr. Bowman updated the Board on issues relevant to the Howard Hanson Dam project. Water continues to discharge from the dam; the stored water might be depleted by the third week of July. Lakehaven is taking as much water as possible to take advantage of the situation. Projections indicate that current levels will take the District through the end of month. He added that long range weather forecasts indicate that the area may not be getting the rain that is typically expected in November. Mr. Bowman went on to explain a contract that the Corps of Engineers entered into for the installation of a series of grouting wells

along right abutment of the dam. The right abutment was created by an ancient landslide, and is where sink holes have developed. This repair will impact the District's ability to access its supply. The repair is considered to be temporary; it is unclear what the permanent fix will be. Mr. Perry noted that, based on a preliminary analysis, a permanent solution could cost over \$200 million dollars. Next, Mr. Bowman stated staff is preparing to begin the deep aquifer water right perfection. He went on to explain the procedure necessary in order to perfect this water right. Lastly, he added the District experienced a good month for water supply; three million gallons a day more was pumped over this same time last year and a million gallons per day more than Mr. Bowman had projected.

General Manager: Mr. Perry reported a trip to Howard Hanson Dam was planned for August 4th. He provided the details of the trip and directed interested persons to contact Lisa Alexander if they wanted to go along. Next, Mr. Perry announced that an informal lunch was planned for Jon Hays on Wednesday, July 15th at the Lakota Wastewater Treatment Plant from 11:30 p.m. to 1:00 p.m. In addition, the annual Safety Lunch for the District is scheduled for Wednesday, August 5th at 11:00 a.m. at the Water Operations Building. All Board members are invited to attend both functions.

EXECUTIVE SESSION/CLOSED SESSION

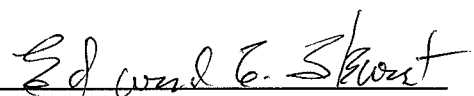
At approximately 7:05 p.m., the regular meeting was recessed in order to conduct an Executive Session for the purpose of discussing potential litigation. It was stated that the Executive Session would last approximately twenty minutes. At approximately 7:25 p.m., the Executive Session was adjourned and the regular meeting was reconvened.


ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:25 p.m.

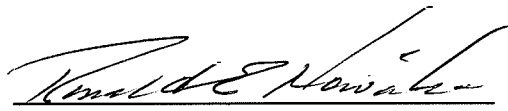
 _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Gibson	Yea	Nay	Abstain

ATTEST:

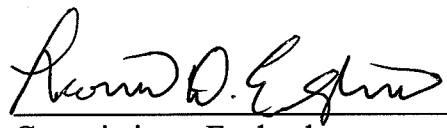
 _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice President Stewart	Yea	Nay	Abstain


Secretary Miller

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


Commissioner Nowicki

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


Commissioner Englund

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