

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
January 14, 2010

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on January 14, 2010 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:

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

ROLL CALL – Swearing in of Board Members.

Mr. Pritchett administered the oath of office for Commissioner Charles Gibson, Position No. 3 and Commissioner Leonard Englund, Position No. 1. Both Commissioners signed the Oath of Office and received a Certificate of Election.

Commissioner Gibson passed the gavel to the new President of the Board, Donald Miller.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **excused** Commissioner Nowicki from the meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board **adopted** the minutes of December 20, 2009, as presented.

APPROVAL OF AGENDA

Commissioner Gibson requested to add Action Item No. 5, Designate Conservation Garden Name of BJT; Resolution No. 2010-1149.

Steve Pritchett requested to add an executive session pursuant to RCW 42.30.110(1i) for potential litigation.

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

CONSENT ITEMS

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 12/16/09, 12/17/09, 12/23/09, 12/28/09, 12/29/09, 12/30/09, 1/8/10, 1/12/10, 1/13/10, and 1/14/10.

Maintenance Fund No. 11-333-0510

12/16/09 Voucher nos. 19196-19259, total amount of \$177,005.75;
12/28/09 Voucher nos. 19283-19308, total amount of \$1,869.36;
12/29/09 Voucher no. 19390, total amount of \$60,829.06;
12/29/09 Voucher nos. 19309-19382, total amount of \$274,566.47,
1/12/10 Voucher nos. 19406-19409, total amount of \$1,922.13;
1/13/10 Voucher nos. 19410-19511, total amount of \$234,435.92.

Construction Fund No. 11-333-3510

12/17/09 Voucher nos. 19260-19268, total amount of \$66,520.47;
12/30/09 Voucher nos. 19383-19389, total amount of \$59,414.91;
1/14/10 Voucher nos. 19512-19522, total amount of 326,544.42.

Payroll – Fund No. 11-333-0530 12/23/09 01/08/10

Warrants: \$ 96.04 \$ 2,358.19
Direct Deposits: \$ 202,753.26 \$261,367.11
Benefit Warrants: \$ 55,849.70 \$154,919.17
(voucher nos. 19269-19282 & 19391-19405)
Withholding/FICA \$ 79,874.17 \$122,409.27
Total Amount of: \$ 338,573.17 \$541,053.74

2. Tutino Easement Vacation.
3. Closing of Special Funds at King County; Resolution No. 2010-1148.

ACTION ITEMS

As it was not yet 6:30 p.m., the Board moved forward to Action #2.

#2, On-Call Real Property Acquisition/Appraisal Services – Award Service Contract: Tim Osborne reported that after reviewing statements of qualifications and completing the selection process, staff previously selected Certified Land Services for the On-

Call Real Property Acquisition/Appraisal Services. Staff is requesting a general service contract with Certified Land Services in the amount of \$60,000.00 for potential projects over the next three years (2010-2012). Mr. Osborne commented that funds for this contract do not represent new capital improvement project costs, only allocation of funds already budgeted within the capital improvement projects. Mr. Perry commented that because the capital program is reduced, this has been reduced as well and that the District will use their services on an "as needed" basis only.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the On-Call Real Property Acquisition/Appraisal Services Contract (1010-2012) with Certified Land Services for up to \$60,000.00 and authorized the General Manager to execute the contract.

#3, Network Support Services Contract: Mr. Dennis reported that the District requested proposals for network support services back in the fall of 2009. Seitel Systems, LLC was the only firm to respond. Seitel Systems has been the District's network support engineers for a number of years and were part of the consultant team that helped build the District's network. Staff has been very pleased with their services and has found their technicians to be very knowledgeable and their billings to be reasonable. The estimated amount of the contract is \$40,000.00 and will run through the end of 2011.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **approved** the contract with Seitel Systems, LLC through the end of 2011 and not to exceed \$40,000.00.

#4, 44th Ave SW LPS Ext Project No. 6206018: Tim Osborne reported that back in October of 2009, the 44th Ave Low-Pressure Sewer (LPS) Developer Extension Agreement was approved. The Developers then replaced approximately 648 linear feet of existing 2-inch LPS main with new 3-inch LPS main. In October of 2009, the Board approved a cost sharing amendment in an amount not to exceed \$40,000.00. Staff received a request from the Developer on January 5, 2010 to increase the cost sharing from \$40,000.00 to \$59,000.00. The increased cost is based on the actual low bid requirements to trench a portion of the project verses boring it per City of Federal Way requirements for 100% crushed backfill and pavement mitigation fees. Discussion was held on why the City has these requirements and why it can no longer be bored. Mr. Bowman reported that staff can provide the Board with more detailed information for the increases in cost and the City's requirement to open cut and backfill with 100% crushed rock.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the 44th Ave SW LPS Extension Project No. 6206018 cost sharing amendment in an amount not to exceed \$59,000.00.

#1, Street Lighting System Establishment – Mirror Lake Estates; Public Hearing at 6:30 p.m.; Resolution No. 2010-1147:

Commissioner Miller recessed the regular meeting and opened the public hearing for the purpose of hearing testimony from the public regarding the street lighting proposal for Mirror Lake Estates. Hearing no testimony, Commissioner Miller adjourned the public hearing and reconvened the regular meeting.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** Resolution No. 2010-1147 establishing a street lighting system for Mirror Lake Estates and setting an affective day for the provision of street lighting services as February 13, 2010.

#5, Designate the Conservation Garden as the “Beverly J. Tweddle Water Conservation Garden”; Resolution No. 2010-1149: Commissioner Gibson asked that the conservation garden be named after former Commissioner Bev Tweddle and suggested that Resolution No. 2010-1149 be adopted. The Resolution provides that the District designate a plaque in the garden and have an unveiling of the plaque at the water conversation poster contest awards meeting in June 2010.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** Resolution No. 2010-1149, designating the Conservation Garden as the “Beverly J. Tweddle Water Conservation Garden”.

Developer, Joe Dominczyk arrived at the meeting to inquire about the 44th Street DE Agreement. He commented that he is hoping the City of Federal Way is at the Pre-construction meeting so he can address the City’s requirement to backfill with 100% crushed rock vs. boring the trench. The Board thanked Mr. Dominczyk for attending the meeting.

INFORMATION ITEMS

#1, 2010 Board/GM/GC Conference Travel Authorization: Commissioner Miller thanked Debi Manglallan for putting together a nice booklet for travel. Discussion was held on the approval process for conferences that involve travel and the process for local conferences. Commissioner Miller suggested that the Board take action on this item.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **amended** the agenda to add **Action Item #6, 2010 Board/GM/GC Conference Travel Authorization; Approval.**

Action Item #6, 2010 Board/GM/GC Conference Travel Authorization; Approval: Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the 2010 Board/GM/GC Conference Travel Authorization.

Board members, as well as the General Manager and General Counsel, are approved to travel to any conference on the list as they deem appropriate.

#2, Board Procedures/Code of Ethics: Mr. Pritchett reported that the Board routinely updates the Board Procedures and Code of Ethics to give new Board members an opportunity to become familiar with them and to give other Board members the opportunity to review and make any necessary amendments. He then reviewed the process for submitting changes to the Board Procedures and Code of Ethics. The Board Clerk was asked to coordinate any changes submitted for the Board Procedures and Code of Ethics and to have them ready for review at the next regular Board meeting on January 28th.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Englund reported that he attended the ground breaking ceremony for the City of Edgewood yesterday and thanked Tim Osborne and Brian Asbury for attending the ceremony as well.

Commissioner Miller reported he attended the Safety and EMAC meetings.

Commissioner Gibson reported he attended the Government Affairs Meeting, and that the Economic and Development Committee meeting was cancelled this month. He reported that he also attended the Insurance Committee meeting.

Commissioner Miller reported on Committee assignments and indicated that he would like the assignments to remain the same as last year unless anyone would like to change them. He further commented that he will see what Commissioner Nowicki's position is on the assignments before making any final decision.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that the District just received a Step IV grievance yesterday and that this matter will be on the agenda for the next regular Board meeting. He further reported that these matters are held in closed session, and following closed session, the Board will issue a decision. He reported that he has been participating with the WASWD's Legislative Committee and he participated in a telephonic meeting this morning. He addressed the two proposed bills relating to taxation and assumption issues with utility authorities. Mr. Pritchett reported that he will let the Board know when and if there is a hearing set on the matter. He also commented that he would like to present training on the Open Public Meetings Act at an upcoming meeting.

Director of Finance/Information Systems: Mr. Dennis reported that has started receiving calls from customers on leased capacity charges and with questions on what the additional charge is on the bill. He reported on various issues that haven't been addressed and

that he feels would be very worthwhile to set some time aside to discuss. He reported that credits are another matter that needs to be discussed. Development Engineering has been working with him on this and has been very helpful. He commented that he would appreciate some direction from the Board in another month or two on these matters.

Engineering/Water Manager: Mr. Bowman reported on the Tacoma Utility Board Study Session that he attended with Don Perry yesterday. He commented that there will be a follow-up meeting for recommendations on UV vs. filtration for the second supply, and that he will be giving the Board an update following the meeting. Mr. Bowman also reported on using GPS as a means of locating infrastructure.

General Manager: Mr. Perry reported that King County is currently going through their Local Hazard Mitigation Plan. He also reported that John Kirner, Water Superintendent of Tacoma Water, will be retiring January 31, 2010. He provided the Board with a transition plan for Lakehaven Utility District. He commented that John Bowman made an outstanding presentation before the Tacoma Public Utilities Operating Board.

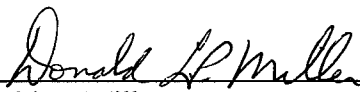
Commissioner Miller asked Mr. Pritchett to provide information for succession planning in the Administration Department.

EXECUTIVE SESSION

At approximately 7:45 p.m., the regular meeting was recessed in order to conduct an Executive Session pursuant to RCW 42.30.110(1i) for the purpose of discussing potential litigation. It was stated that the Executive Session would last approximately 10 minutes. At approximately 7:55 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 7:55 p.m.



President Miller

Yea

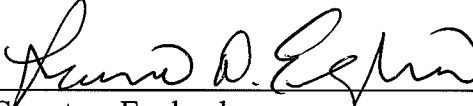
Nay

Abstain

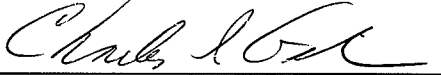
ATTEST:

ABSENT
Vice President Nowicki

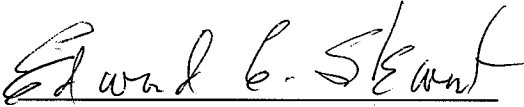
Yea Nay Abstain


Secretary Englund

Yea Nay Abstain


Commissioner Gibson

Yea Nay Abstain


Commissioner Stewart

Yea Nay Abstain