

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
February 11, 2010

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on February 11, 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
Ronald Nowicki	Vice 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

APPROVAL OF MINUTES

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Gibson, the Board unanimously **adopted** the minutes of October 8, 2009, November 12, 2009 and November 22, 2009, as presented. Upon motion of Commissioner Nowicki, which was duly second by Commissioner Englund, the Board, with Commissioners Nowicki, Englund, Miller and Stewart voting in the affirmative and Commissioner Gibson abstaining, **adopted** the minutes of October 22, 2009.

APPROVAL OF AGENDA

Commissioner Nowicki suggested that an Action item be added to the agenda for the House Bill 3179 Utility Tax.

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

CONSENT ITEMS

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

1. Swan Song Easement Vacation
2. Latecomer Agreements Approval; Resolution No. 2010-1152
3. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 1/25/10, 2/2/10, 2/3/10, 2/4/10, 2/10/10, and 2/11/10.

Maintenance Fund No. 11-333-0510

1/25/10 Voucher no. 19658, total amount of \$57,772.49;
1/25/10 Voucher no. 19659, void;
2/2/10 Voucher nos. 19660-19661, total amount of \$580.20;
2/3/10 Voucher nos. 19662-19724, total amount of \$166,882.03;
2/10/10 Voucher nos. 19730-19785, total amount of \$87,150.53.

Construction Fund No. 11-333-3510

2/10/10 Voucher nos. 19725-19729, total amount of \$42,358.51.

Redondo Outfall Fund No. 11-333-6040

2/11/10 Voucher nos. 19786, total amount of \$9,700.00.

Payroll – Fund No. 11-333-0530 02/11/10

Warrants: \$ 0.00
Direct Deposits: \$ 180,771.71
Benefit Warrants: \$ 146,967.83
(voucher nos. 19787-19801)
Withholding/FICA \$ 73,759.84
Total Amount of: \$ 401,499.38

ACTION ITEMS

#2, House Bill 3179 Utility Tax: Commissioner Nowicki reported that proposed House Bill 3179 allows cities and counties to impose utility taxes upon water and sewer districts. Discussion was held on Board members contacting state legislators and expressing opposition to the bill.

INFORMATION ITEMS

#1, Substantial Completion Process Policy 300-14: Tim Osborne reported that staff is bringing this matter before the Board to discuss the current Substantial Completion Process Policy 300-15 and proposed revisions to it. Discussion was held on the policy and the proposed changes that staff recommends be made to the policy. Mr. Bowman provided a hand out of the 2010 Substantial Completion Deposition Calculations. He reviewed the new figures and the

process with the Board. The Board requested that a description for the asterisks be made available and that this item be included as a consent item on the next Board Agenda to be adopted by resolution.

#2, Leased Capacity Charge Program: Morgan Dennis provided a brief presentation summarizing early results of the Lease Capacity Program. Mr. Dennis provided the Board with an update on the Twin Cedars Mobile Home Park capital facility charges and reviewed the language in the Capital Facility Charge section of the fees and charges resolution. Mr. Pritchett gave a brief history of why the additional language was added to the Capital Facility Charge section and commented that the reason for this additional language was to make sure customers were charged for their actual consumption. This would prevent customers from getting new credits that no longer represented what they actually purchased. Discussion was held on methodology for calculating credits for various types of properties. Mr. Dennis stated he would have a letter drafted for the President of the Board to sign and send out to Twin Cedars Mobile Home Park and to any other accounts that the District would be making these adjustments on.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Englund reported that he attended the Personnel Committee meeting.

Commissioner Nowicki reported that Mr. Pritchett and he attended the WASWD Legislative Committee meeting. He also reported that Mr. Dennis will be attending the WASWD Finance meeting with him tomorrow morning and that Mr. Bowman will be attending the MWPAAC Committee meeting with him as well. He commented that Commissioner Gibson and he attended the Olympia day event sponsored by the Federal Way Chamber of Commerce.

Commissioner Miller reported on the Safety and EMAC Committee meetings.

Commissioner Gibson reported that he attended the Olympia Day event with Commissioner Nowicki and that he thought this event was very worthwhile. He also attended the Economic Development Committee meeting. Commissioner Gibson reminded the Board and staff that he will be unable to attend the next regular Board meeting on February 25, 2010.

STAFF REPORTS

General Counsel: Mr. Pritchett reported that he will be unable to attend the second Board meeting in March. He further reported that he met with the Insurance Committee last Friday to discuss an order issued by the Office of Financial Management declaring that the CIAW is out of compliance with state law in their financial practices. There is another meeting scheduled for February 25th with the Office of Financial Management and he will update the Board at next Board meeting on this matter. Mr. Pritchett reported that the District received notice from the IUOE that they are requesting arbitration as a result of the Step IV denial. He

also reported on the status of the Franchise Agreement with the City of Federal Way. He commented that in the spirit of all the success the District has had with the CAP baskets, District employees participated in a Valentine's Day raffle and raised \$181.00 for the CAP Program.

Engineering/Water Manager: Mr. Bowman reported that the Contractor on the Well 36M drilling project will be having the well re-drilled by another contractor. Mr. Bowman commented that it is the District's expectation that this will be at the contractor's cost. Mr. Bowman also reported that the City of Federal Way may be delaying the Pacific Highway project a few months due to environmental issues.

General Manager: Mr. Perry reported that the Emergency Management Board members will be getting a letter from the City to set up meetings on policies. The intent behind the meetings will be to go through a list of items that came out of the Emmitsburg training. Mr. Perry reported that John Bowman will be working on a letter to King County confirming that the District wishes to leave their system in 2036. He also reported that the City inquired if an agreement was in existence with regard to the dog park. He commented to the Board that the dog park was a pilot project and that no agreement exists. He reported that staff has inquired about the parking lot at Lakota which is generally used by the public to access the tennis courts, and if it would be possible for staff to use the parking lot to re-shuffle vehicles around the plant. Commissioner Nowicki suggested that staff paint four parking spaces designating them for tennis court parking and the rest would be for staff parking. Mr. Perry also reported on the House Bill being considered on the water rights generated fee schedule and that the additional cost the District would face as a result of this.

EXECUTIVE SESSION

At approximately 7:57 p.m., the regular meeting was recessed in order to conduct an executive session pursuant to RCW 42.30.110(g) for the purpose of discussing performance evaluations of the General Manager and General Counsel. It was stated that the Executive Session would last approximately 30 minutes. At approximately 8:27 p.m. the executive session was extended another 30 minutes. At approximately 8:57 p.m., the Executive Session was adjourned and the regular meeting was reconvened.

ACTION ITEMS

#1, General Manager and General Counsel Salary Adjustment: No action taken.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 8:58 p.m.

Donald L.P. Miller
President Miller

Yea

Nay

Abstain

ATTEST:

Ronald E. Nowicki
Vice President Nowicki

Yea

Nay

Abstain

Ronald D. Englund
Secretary Englund

Yea

Nay

Abstain

Charles Gibson
Commissioner Gibson

Yea

Nay

Abstain

Edward C. Stewart
Commissioner Stewart

Yea

Nay

Abstain