

LAKEHAVEN UTILITY DISTRICT
King County, Washington

REGULAR BUSINESS MEETING
February 25, 2010

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on February 25, 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 Englund 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
Edward Stewart	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 Englund, the Board unanimously **excused** Commissioner Gibson from the meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Edward, the Board, with Commissioners Miller, Englund and Stewart voting in the affirmative and Commissioner Nowicki abstaining, **adopted** the minutes of January 14, 2010. Upon motion of Commissioner Englund, which was duly seconded by Commissioner Nowicki, the Board unanimously **adopted** the minutes of January 28, 2010, as presented.

CORRESPONDENCE

Commissioner Nowicki commented about the Memorandum from the Board Clerk regarding the AWWA Membership. Discussion was held on corporate membership vs. individual membership. Further discussion was held about reviewing other Associations the District is affiliated with.

APPROVAL OF AGENDA

Commissioner Nowicki requested to add an action item for the General Manager and General Counsel salary adjustments and to add an information item for discussion on Leased Capacity Charges.

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

CONSENT ITEMS

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

1. Substantial Completion Process Policy 300-15; Adoption of Resolution No. 2010-1153.
2. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 2/17/10, 2/18/10, 2/23/10, 2/24/10, 2/25/10, and 2/26/10.

Maintenance Fund No. 11-333-0510

2/17/10 Voucher nos. 19802-19880, total amount of \$160,111.84;

2/23/10 Voucher nos. 19886-19936, total amount of \$5,612.25;

2/24/10 Voucher nos. 19937-19992, total amount of \$281,980.85.

Construction Fund No. 11-333-3510

2/18/10 Voucher nos. 19881-19885, total amount of \$46,605.76;

2/25/10 Voucher nos. 19993-19998, total amount of \$36,114.69.

Payroll – Fund No. 11-333-0530 02/26/10

Warrants: \$ 1549.91

Direct Deposits: \$ 199,139.74

Benefit Warrants: \$ 57,709.87

(voucher nos. 19999-20012)

Withholding/FICA \$ 83,538.78

Total Amount of: \$ 341,938.30

ACTION ITEMS

#1, South 348th St. @ 1st Ave S Intersection Improvement Project ILA/Bid Award:
Wes Hill reported that staff is considering entering into an Interlocal Agreement (ILA) with the City of Federal Way for the South 348th Street at 1st Avenue South Intersection Improvement Project. The City has already approved the proposed ILA that is attached to this Action Item as Exhibit A. Staff believes that a “piggy-back” arrangement utilizing an ILA with the City represents the most efficient method for accomplishing the modifications to the water and sewer facilities within existing right-of-way. Considering that construction bids have already been received, staff is also requesting authorization to accept the low bid for this project per Section II.B of the proposed ILA. The cost share for the District, excluding sales tax, is \$50,026.00. Staff is requesting the Board’s support in authorizing the General Manager to execute the proposed ILA and approve the bid award on behalf of the District in the amount of \$114,504.54.

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the South 348th Street at 1st Avenue South Intersection Improvement Project and authorized the General Manager to execute the Interlocal Agreement and approve the bid award on behalf of Lakehaven Utility District, based on actual cost, and in an amount not to exceed \$114,504.54.

INFORMATION ITEMS

#1, Davidson Side Sewer: Steve Pritchett reported on discussions he has had with Mr. Davidson and his attorney. He also reported that Mr. Davidson's attorney may want to address the Board on this matter in the event it isn't resolved in the near future.

#2, Leased Capacity Charges: Commissioner Nowicki commented that he would like to address the leased capacity charges - capacity rent and what the status is on establishing credits held on affected properties. Mr. Pritchett handed out a copy of a letter that was mailed out to all of the customers who potentially have the same issue confronting them. Further discussion was held on capacity rent calculations and staff's involvement in analyzing past records for accuracy. Discussion was also held on properties that are misclassified as multi-family accounts and how these classifications can change over time. The Board and staff discussed having capacity rent records corrected and resolved by May 1st of this year. Mr. Dennis proposed that while investigating the capacity rent records, all the billings on leased capacity charges for uncertain accounts be suspended. The Board agreed on this. The Board thanked Mr. Dennis for his involvement in helping resolve this matter and for taking a proactive approach with District customers.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Miller reported on the AWWA conference he attended in San Francisco. He commented that he received a disc with conference information that he will share with the other Board members.

Commissioner Englund shared that he attended a CPR refresher course offered through Boeing and that he thought this was a good thing to maintain.

Commissioner Nowicki reported on the WASWD and MWPAAC meetings he attended.

STAFF REPORTS

General Counsel: Mr. Pritchett handed out a graph prepared by Devin Cupp on Lakehaven Utility District Delinquency Trends for years 2007, 2008 and 2009. Staff and Board reviewed the graph and held a brief discussion on the rise in meter shutoffs and lien filings. Mr. Pritchett gave an update on the House Bills that they have been following. He also reported that

the District is at the end of their lease on the current postage meter and staff is getting quotes on new meters. He commented that the new lease will be over a 5 year period and will save the District a small amount of money. Mr. Pritchett reported on the Too Hoytie Toytie LLC unauthorized sewer connection status and that he has corresponded with their attorney on this matter. He added that he will be monitoring this matter closely and will keep the Board updated. Lastly, Mr. Pritchett reported on the capacity rent meeting Mr. Dennis and he had with Ed Novak, Federal Way Public Schools Resource Conservation Manager.

Director of Finance/Information Systems: Mr. Dennis reported on the finance system and revenue collected to date on the lease capacity program.

Engineering/Water Manager: Mr. Bowman commented that some of the discrepancies in the records used for the capacity rent program are from records that went back to the 1980s, and it was most likely not contemplated at that time that these records would be used for the new accounting system. He reported he attended a meeting earlier today at the City of Edgewood to discuss particulars for extensions off their large sewer pipe. He commented that the meeting went well. He also reported on the Water Utility Group meeting and Development Committee meeting he attended.

General Manager: Mr. Perry reported on the Request for Drinking Water State Revolving Fund (DWSRF) loan paperwork from the State Government that he received today. He commented that he will submit the Request on behalf of Lakehaven for funding of the Green River Filtration Plant to the State Department of Health. He also gave an update on the Public Works Trust Fund Loans and when applications may be available. Mr. Perry reported on the meeting he attended in Olympia earlier this afternoon for NPDES permits.

EXECUTIVE SESSION


At approximately 7:31 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 General Manager and General Counsel performance evaluations. The executive session began at 7:40 p.m. and it was stated that the executive session would last approximately 20 minutes. At approximately 8:00 p.m. the executive session was extended 10 more minutes. At approximately 8:10 p.m. the executive session was extended another 10 minutes. At approximately 8:20 p.m., the executive session was adjourned and the regular meeting was reconvened.

ACTION ITEMS (con't.)

#2, General Manager and General Counsel Salary Adjustments: Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** that a combination of a COLA and merit increase in the amount of 3% be applied to the present salaries of the General Manager and General Counsel, effective January 1, 2010.

ADJOURNMENT

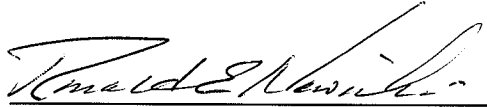
There being no further business to come before the Board, the meeting was adjourned at approximately 8:21 p.m.



President Miller

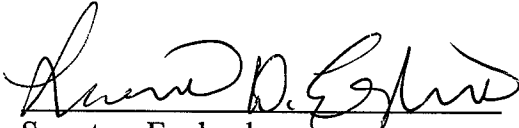
Yea _____
Nay _____
Abstain

ATTEST:



Vice President Nowicki

Yea _____
Nay _____
Abstain



Secretary Englund

Yea _____
Nay _____
Abstain

ABSENT

Commissioner Gibson

_____ _____
Yea _____
Nay _____
Abstain

Commissioner Stewart

_____ _____
Yea _____
Nay _____
Abstain