

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

SPECIAL BUSINESS MEETING  
July 13, 2010

A special meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on July 13, 2010 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

President Miller called the meeting to order at 3:00 p.m. and asked Commissioner Englund to lead the flag salute. Members/officials present were as follows:

Donald Miller	President
Leonard Englund	Secretary
Charles Gibson	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 Gibson, which was seconded by Commissioner Englund, the Board unanimously **excused** Commissioners Nowicki and Stewart from the meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **adopted** the minutes of June 10, 2010 and June 17, 2010, as presented.

APPROVAL OF AGENDA

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

CORRESPONDENCE

The Board thanked John Bowman for the responsive letter to Mr. Bush concerning the Water Quality Report.

CONSENT ITEMS

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

1. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 6/28/10, 6/30/10, 7/1/10, 7/7/10, 7/8/10, and 7/12/10.

**Maintenance Fund No. 11-333-0510**

6/28/10 Voucher no. 21383, total amount of \$59,477.69;

6/30/10 Voucher nos. 21384-21432, total amount of \$86,209.08;

7/7/10 Voucher nos. 21441-21488, total amount of \$75,259.64.

**Construction Fund No. 11-333-3510**

7/1/10 Voucher nos. 21433-21440, total amount of \$17,807.32;

7/8/10 Voucher nos. 21489-21492, total amount of \$50,573.92.

**Payroll – Fund No. 11-333-0530 7/12/10**

Warrants: \$ 0.00

Direct Deposits: \$ 199,146.04

Benefit Warrants: \$ 161,421.64

(voucher nos. 21493-21507)

Withholding/FICA \$ 84,054.74

Total Amount of: \$ 444,622.42

**ACTION ITEMS**

**#1, Closure of WWTP Outfall Replacement Fund at King County:** Morgan Dennis reported that the District has several separate legal funds at King County Department of Finance and these funds must be created and closed through Board action. The District is no longer using the WWTP Outfall Replacement Fund as the project is complete and all monies in the fund have been spent.

Upon motion of Commissioner Englund, which was duly seconded by Commissioner Gibson, the Board unanimously **adopted** Resolution No. 2010-1161 closing the Wastewater Treatment Plant Outfall Replacement Fund maintained by the King County Department of Finance.

**#2, Auburn Emergency Water Supply:** John Bowman reported the City of Auburn formally contacted the District requesting emergency summer water due to multiple well failures in their system. The most feasible connection location would be the District's abandoned Aaby Drive Booster Pump Station. The District and the City of Auburn had an emergency intertie agreement for a connection in 1998, but the agreement was cancelled by Auburn in 2006 following the transfer of Auburn's Aaby Drive Pump Station and service area to Lakehaven. Mr. Bowman stated he was bringing this matter before the Board to formally approve the use of the old agreement at the new location. Discussion was held on reimbursement of cost to reinstall a new meter and what would take place in the event Auburn asked to connect to Lakehaven's water line on a permanent basis. Mr. Bowman reported that Auburn will reimburse the District

for time and materials and pay for all water used based on our current commercial summer water rates. He further reported that he is only requesting to reinstate the emergency water supply agreement through 2010 or until such time as a new agreement is entered into.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **authorized** the General Manager to reinstate the terms of the "Emergency Water Supply Agreement – Lakehaven/Auburn Intertie #2" for the new Aaby Drive intertie through 2010 or until such time a new intertie agreement is executed for the Aaby Drive location, whichever occurs first.

**#3, Second Supply Project – Pipeline Construction Final Settlement:** John Bowman reported the Partnership had a dispute with a contractor stemming back to 2004. Attorney's with the City of Tacoma have been handling the claim and have negotiated a final payment to the contractor of \$3,158,333.00. Discussion was held on the claim amount and the lack of input from all partners in negotiating the settlement. Mr. Bowman reported that the District will most likely be invoiced for half of its share this year and then the remaining half next year. Further discussion was held on the Green River Crossing and the outstanding Change Order claim.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Englund, the Board unanimously **approved** the final Change Order settlement agreement in the amount of \$3,158,333.00 of which Lakehaven's 7/36<sup>th</sup> share is \$614,120.31 and authorized Lakehaven's SSP Project Committee Representative to vote to approve this Change Order.

**#4, Board Meeting Schedule:** Steve Pritchett reported that when this agenda item was created, staff believed that Commissioner Miller would be out of town on July 22<sup>nd</sup> and unable to attend the meeting. Staff has since found out he will be in town on July 22<sup>nd</sup>. Discussion was held on the voucher approval process. Mr. Pritchett asked the Board if they wished to cancel the next regular meeting, and it was the consensus of the Board not to take any action and hold the next regularly scheduled meeting on July 22, 2010.

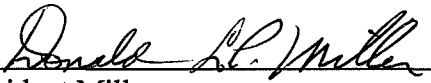
#### STAFF REPORTS

**General Counsel:** Mr. Pritchett reported the District received a request from a teacher at Green Gables Elementary asking if the District would be interested in contributing \$500.00 to a drip irrigation system for a conservation garden. The school is planning a conservation garden to teach environmental gardening as part of the curriculum for students. Discussion was held on the request and it was determined that their water is provided by Tacoma's water supply. The Board liked the idea, but given the fact that Green Gables Elementary is not in the District's service area, they were not inclined to provide District funds.

**General Manager:** Mr. Perry reported on the Permit Fee Task Force meeting he attended last week. Discussion was held on the Fire Department benefit charge.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 4:15 p.m.

  
\_\_\_\_\_  
President Miller

\_\_\_\_\_  
Yea

\_\_\_\_\_  
Nay

\_\_\_\_\_  
Abstain

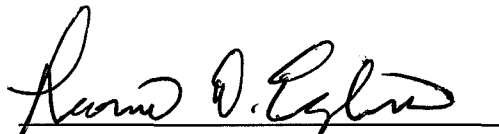
ATTEST:

ABSENT  
\_\_\_\_\_  
Vice President Nowicki

\_\_\_\_\_  
Yea

\_\_\_\_\_  
Nay


\_\_\_\_\_  
Abstain

  
\_\_\_\_\_  
Secretary Englund

\_\_\_\_\_  
Yea

\_\_\_\_\_  
Nay

\_\_\_\_\_  
Abstain

  
\_\_\_\_\_  
Commissioner Gibson

\_\_\_\_\_  
Yea

\_\_\_\_\_  
Nay

\_\_\_\_\_  
Abstain

ABSENT  
\_\_\_\_\_  
Commissioner Stewart

\_\_\_\_\_  
Yea

\_\_\_\_\_  
Nay

\_\_\_\_\_  
Abstain