

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

REGULAR BUSINESS MEETING  
October 23, 2008

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on October 23, 2008 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

President Nowicki called the meeting to order at 6:00 p.m. and asked Commissioner Stewart to lead the flag salute. Members/officials present were as follows:

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

APPROVAL OF AGENDA

Mr. Bowman requested that the Abandonment of Chi Kim Short Plat Easement consent item be removed from the agenda.

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

CORRESPONDENCE

Commissioner Nowicki commented on the Reclaimed Water Feasibility Study notes from MWPAAC that he handed out prior to the meeting. King County is beginning a 2-year study on the feasibility of putting in purple pipe for reclaimed water throughout the entire area.

Commissioner Gibson inquired about the rate payer in the lower Lakota area with the low pressure sewer system. Apparently no permit was obtained prior to the stub being installed. Staff followed up with an inspection and the permit was subsequently issued. Mr. Bowman reported that this sometimes happens and the District is currently investigating other potential illegal connections.

### ACTION ITEMS

**#1, Red Flags Rule; Resolution No. 2008-1115:** Mr. Pritchett reported that under the FTC rules, the District is required to adopt an Identity Theft Prevention Program ("ITPP") prior to November 1, 2008 to help prevent identity theft associated with the maintenance of utility accounts. Staff has reviewed the regulations and submitted an ITPP for Board approval. Under the Program, Morgan Dennis is designated as the Program Administrator for the ITPP. Mr. Pritchett and Mr. Dennis attended a workshop sponsored by the Water and Sewer Association that discussed identity theft. Mr. Dennis reported that the District will need to put together a training program and train staff on this matter. Commissioner Gibson would like to add language to the resolution that allows for oversight of the Program Administrator.

Upon motion of Commissioner Tweddle, which was duly seconded by Commissioner Gibson, the Board unanimously **adopted** Resolution No. 2008-1115, approving and adopting an identity theft prevention program with the addition of language that states that the Program Administrator for the ITPP is subject to the oversight of the General Counsel.

### INFORMATION ITEMS

**#1, 2009-2010 Budget Workshop:** Mr. Dennis gave a brief report on the 2009-2010 budget workshop and turned this item over to Mr. Bowman for further information on proposed staffing. Mr. Bowman reviewed the summary of current positions and proposed positions for Engineering and Water Operations. Mr. Yoder reported on the Field Operations Labor Distribution handout provided to the Board. Mr. McCalib reported on the Wastewater Operations Proposed Staffing Details and reviewed the handout provided to the Board and staff. Mr. Bowman gave a brief summary of the staffing proposals for 2009-2010. Discussion was held on how these additional FTE's would affect operating costs and office space needs of the District. Further discussion was held on maintenance needs of the District. Mr. Dennis cautioned the Board that additional hiring would significantly draw down the cash reserves. The Board would like the Personnel Committee to keep them apprised on new hiring decisions and other staffing changes. The Board would also like staff to come back with updates on staffing needs the end of April or beginning of May 2009. Mr. Dennis will present a resolution on this to the Board.

Mr. Pritchett wanted to address and make certain the Board wants to go forward with differential rates for Metro sewer customers. He reported that this will require an amendment to the rate resolution for Metro customers if the Board decides to do this. Mr. Dennis reported that previously it has been the position of the Board that all customers are treated the same in providing of services. In the past, the differences haven't been significant enough to bring up, but with the new Brightwater charges and new charges from Pierce County, these charges are significant and are actually measurably different. The Board would like staff to re-visit this matter and come back with a resolution that provides for rates and makes Metro customers responsible for the same charges the District is paying.

#### COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Nowicki reported he attended the MWPAAC meeting on reclaimed water. He also mentioned that he will be out of town from October 25<sup>th</sup> through the 12<sup>th</sup> or 13<sup>th</sup> of November.

Commissioner Tweddle reported on the Personnel Committee meetings she attended. Commissioner Gibson reviewed the suggestions the Personnel Committee made for the non-represented personnel wages and benefits. The Board would like to bring this back as an information item at the Board meeting on November 13<sup>th</sup>.

#### STAFF REPORTS

**General Counsel:** Mr. Pritchett reported he will be meeting tomorrow with the AFSCME business representative and shop stewards to begin negotiations. He also mentioned that there is some interest from L & I to cover Commissioners as employees. Currently, there are some districts where Commissioners are covered under L & I insurance. Further discussion was held on this matter. Mr. Pritchett commented about the WSAMA Fall Conference he attended last week in Cle Elum. He learned of an interesting Washington State Supreme Court decision involving Seattle Public Utility and city water rate payers being taxed for costs for fire hydrants. This decision may have a direct impact on the District so further review is needed on this matter. He will write a memo to the Board after further review.

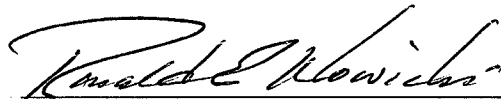
**Director of Finance/Information Systems:** Mr. Dennis reported that the State Auditor has been at the District for the past few weeks and is nearly complete at this point. There were no findings and only a few exit items. The proposal is out for updating the audio in the Board room and another proposal is out for network administrations.

**Engineering/Water Manager:** Mr. Bowman reported that an emergency was declared for repair on the second clarifier at the Redondo Plant while Don Perry was out of the office. He is expecting a cost estimate on this tomorrow. He also gave the Board an update on Well 32.

**General Manager:** Mr. Perry reported on the WEFTEC Conference and thanked the Board for approving his attendance. It was a great conference with a lot of great information.

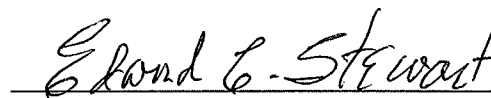
ADJOURNMENT

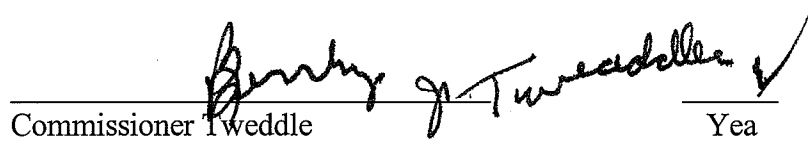
There being no further business to come before the Board, the meeting was adjourned at approximately 8:40 p.m.

 _____ President Nowicki	<input checked="" type="checkbox"/> _____ Yea	<input type="checkbox"/> _____ Nay	<input type="checkbox"/> _____ Abstain
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ATTEST:

 _____ Vice President Gibson	<input checked="" type="checkbox"/> _____ Yea	<input type="checkbox"/> _____ Nay	<input type="checkbox"/> _____ Abstain
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 _____ Secretary Stewart	<input checked="" type="checkbox"/> _____ Yea	<input type="checkbox"/> _____ Nay	<input type="checkbox"/> _____ Abstain
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 _____ Commissioner Tweedle	<input checked="" type="checkbox"/> _____ Yea	<input type="checkbox"/> _____ Nay	<input type="checkbox"/> _____ Abstain
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 _____ Commissioner Miller	<input checked="" type="checkbox"/> _____ Yea	<input type="checkbox"/> _____ Nay	<input type="checkbox"/> _____ Abstain
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