

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

SPECIAL BUSINESS MEETING  
March 16, 2010

A special meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on March 16, 2010 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

President Miller called the meeting to order at 2:00 p.m. and asked Commissioner Nowicki 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
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 Gibson, the Board unanimously **excused** Commissioner Stewart from the meeting.

APPROVAL OF MINUTES

Upon motion of Commissioner Nowicki, which was duly seconded by Commissioner Englund, the Board, with Commissioners Miller, Nowicki and Englund voting in the affirmative, and Commissioner Gibson abstaining, **adopted** the minutes of February 25, 2010, as presented.

APPROVAL OF AGENDA

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

INFORMATION ITEMS

**#1, Review of Capacity Rental Program:** Morgan Dennis gave a presentation updating the Board and staff on the Capacity Rental Program. Highlights of the presentation included 2010 Collections, Issues Resolved, Outstanding/New Issues, Customers with Credit Imbalance, Leak Adjustments, Multifamily Customers, Co-op Certificates, Rounding Issues, and Ownership Changes/Temporary Meters. Mr. Dennis reported that the majority of customers are appropriately being charged and that corrections have been put into place for accounts identified as having incorrect outstanding balances. Discussion was held on Co-op certificates and the need to determine how to value any outstanding certificates. Discussion was also held on rounding

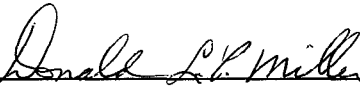
issues for charges computed down to fractional ERUs on bills. Mr. Dennis reported that some parcels are small enough so they are less than a whole ERU. It was determined that rounding of fractional ERUs should be made in whole numbers, i.e. halves, quarters, thirds, etc., and rounded up in the customer's favor for billing purposes. Mr. Dennis reported that Development Engineering staff has been reviewing accounts with ERU credit imbalances. Mr. Dennis reviewed various accounts and gave overviews of the problems. His proposed resolution for certain customers with no record of payment is to allocate ERUs based on the area credit method as outlined in our fees and charges resolution. Discussion was held on decision impact for future Boards. It was determined to move forward with the credit method for certain accounts with ERU discrepancies by providing an allocation equivalent to the lesser of 9 ERU's per acre or 1998 usage, but no less than 4 ERUs per acre. Brian Asbury commented that for customers with a zero credit where the District has no record of payment, staff will assume they paid something.

Mr. Dennis provided one more example with the Bethel Christian Center account. More cottages have been added on the property over time and there is almost 100 times as much usage. This property was connected prior to collection of a General Facility Fee and, therefore, would fall under the 1998 usage. Using the no less than 4 and no more than 9 area charge calculation, they would be credited approximately 34 ERUs. After much discussion on this account, the Board determined the allocation for Bethel Christian Center is correct.

Mr. Dennis reported that he would like to be able to implement the 1998 usage determination and give updates to Board, but not have to come back before Board with each account for approval. The Board agreed.

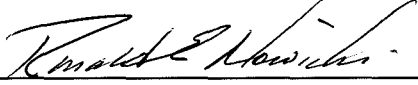
ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 3:58 p.m.

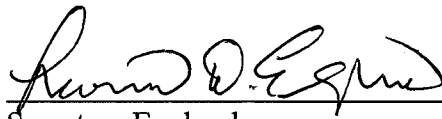
  
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President Miller

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yea	Nay	Abstain


ATTEST:

  
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Vice President Nowicki

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yea	Nay	Abstain

  
Secretary Englund

Yea      Nay      Abstain

  
Commissioner Gibson

Yea      Nay      Abstain

ABSENT  
Commissioner Stewart

Yea      Nay      Abstain