

**LAKEHAVEN UTILITY DISTRICT**  
**King County, Washington**

**Resolution No. 2014-1230**

A **RESOLUTION** of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, revising the Code of Ethics and superseding Resolution No. 2012-1195.

**WHEREAS**, the Board of Commissioners considers that the opportunity each member has been given to serve the District and its ratepayers is a high privilege, and

**WHEREAS**, the Board recognizes that the employees retain a similar privilege, and

**WHEREAS**, in recognition of this important entitlement, the Board has previously adopted a Code of Ethics directing that each commissioner and employee of the District maintain a level of conduct compatible with the honor of public service, and

**WHEREAS**, in order that the Code of Ethics might remain a constant reflection of the ethical ideals of the District, the Board has determined to periodically review and update the Code of Ethics, and


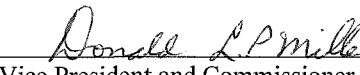
**WHEREAS**, the Board having conducted such a review and believing the Ethics Code attached hereto to be an appropriate statement of the District's policy,

**NOW THEREFORE BE IT RESOLVED** as follows:

1. Resolution No. 2012-1195 is hereby superseded and the revised Code of Ethics, attached hereto, shall, on the effective date of this resolution, serve as the District's Code of Ethics.
2. The Board reserves the right to alter or amend the Code of Ethics as it shall deem appropriate.

**ADOPTED** by the Board of Commissioners of Lakehaven Utility District, King County, Washington, at an open public meeting this 27<sup>th</sup> day of March 2014.

ATTEST:

 _____ President and Commissioner	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain
 _____ Vice President and Commissioner	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay	<input type="checkbox"/> Abstain

Ronald E. Nowicki  
Secretary and Commissioner

✓  
Yea               Nay               Abstain

Kevin D. Egan  
Commissioner

✓  
Yea               Nay               Abstain

Chad G. Galt  
Commissioner

✓  
Yea               Nay               Abstain

Approved as to form:

Al H. Galt  
General Counsel

Lakehaven Utility District

**CODE OF ETHICAL STANDARDS**

**2014**

For Board of Commissioners and Employees

RESOLUTION NO. 2014-1230

Lakehaven Utility District  
Commissioners and Employees  
Code of Ethical Standards

Table of Contents

SECTION 1. POLICY .....	1
SECTION 2. DEFINITIONS.....	1
SECTION 3. COMPLIANCE WITH STATUTORY REQUIREMENTS .....	2
SECTION 4. PROHIBITED CONDUCT .....	3
SECTION 5. DISCLOSURE REQUIREMENTS.....	5
SECTION 6. SANCTIONS.....	6
SECTION 7. ENFORCEMENT PROCEDURE .....	7
SECTION 8. REVIEW .....	8

## CODE OF ETHICAL STANDARDS

### SECTION 1. POLICY

The Lakehaven Utility District is dedicated to maintaining the highest standard of public accountability attainable. This standard can be met only where commissioners and employees alike conduct themselves in a manner suitable for abundant public scrutiny. Each commissioner and employee should strive to meet this responsibility as a routine approach to their role as a public servant and shall avoid any activity which conflicts with these ethical obligations or creates, or has the potential to create, the appearance of an impropriety.

### SECTION 2. DEFINITIONS

The following words and phrases found in this code shall, unless the context clearly suggests otherwise, have the following meanings:

A) **"DISTRICT"** - shall mean the Lakehaven Utility District, a municipal corporation of the State of Washington, as presently organized or as may exist in the future.

B) **"COMMISSIONER"** - shall mean a duly elected or appointed member of the Board.

C) **"EMPLOYEE"** - shall mean any individual employed by the District, whether on a full-time, part-time, regular or temporary basis, including those individuals on authorized leave.

D) **"FAMILY"** - shall mean the employee's spouse, dependent children or any other individual residing in the home of and dependent upon the employee or commissioner.

E) **"GIFT"** - shall mean the voluntary transfer of money, property or any item, whether tangible or intangible, with economic value, including the forgiveness of debt, without the concurrent exchange of consideration of similar or greater value, but not

including the following:

- i) campaign contributions regulated under RCW 42.17;
- ii) informational material;
- iii) symbolic objects with nominal value;
- iv) things of value not used and returned to the donor or given to a charitable organization within seven (7) days of receipt.
- v) social meals hosted by persons or firms at which attendance is open to other clients of the person or firm.

**F) "FINANCIAL INTEREST"** - shall mean any legal or equitable interest, other than the ownership of less than 5% of the outstanding shares or equity interest of any corporation, partnership or other business venture, which might produce pecuniary gain to the holder thereof.

**G) "COMPENSATION"** - shall mean anything of economic value, regardless of how designated, which is transferred as a consequence of the rendering of any type of service.

### **SECTION 3. COMPLIANCE WITH STATUTORY REQUIREMENTS**

It is hereby declared that the ethical obligations expressed and contained in RCW 42.20 (Misconduct of Public Officers), RCW 42.22 (Code of Ethics for Public Officers), RCW 42.23 (Contract Interests), 42.36 (Appearance of Fairness), RCW 42.41 (Whistleblower Protection) and any other federal or state laws or regulations designed to govern the conduct of public officials or employees, including any expression of the appropriate course of conduct set forth in any collective bargaining agreement, are to be adhered to explicitly and for all purposes are incorporated by reference as if fully set forth herein.

## **SECTION 4. PROHIBITED CONDUCT**

The following activities and conduct are expressly prohibited:

**A) CONFLICT OF INTEREST** - No commissioner or employee shall engage in any activity which by its nature or effect creates or represents a conflict with that person's obligations as a public servant. For purposes of illustration and not as an inclusive list of examples of conflict, the following shall be deemed to create conflicts of interest intolerable to the public interest and in violation of this Code of Ethics:

i) maintaining a financial interest in the exchange of goods or services with the District;

ii) influencing District choices to enhance any financial interest or for any other personal gain. For purposes of this subsection, Commissioners may refrain from voting on matters, such as labor agreements, compensation plans or workplace policies, which have a direct impact on any relative or relatives of the Commissioner employed at the District;

iii) accepting compensation in exchange for the influence of choices;

iv) using information not available to the general public to secure advantage, financial or otherwise, for the benefit of the person or his or her family.

v) directly soliciting business of any kind with subordinates unless expressly approved by the Board. The solicitation of a contribution to or for a charitable or other civic or non-profit organization or cause shall not be considered "transacting business" within the meaning of this section; provided that in such situations, the message is conveyed to, or is reasonably considered to be possessed by, those subordinates subject to the solicitation, that participation is entirely voluntary.

**B) ACCEPTANCE OF GIFTS** - No commissioner or employee shall accept a gift which could reasonably be construed to have been tendered because of or in connection with the discharge of his/her duties with the District.

**C) CAMPAIGN AND POLITICAL ACTIVITIES** - District employees may not participate in campaign and political activities on District work time. Except as permitted by law, District resources are not to be utilized in the furtherance of the interests of any candidate or ballot measure.

**D) ILLEGAL ACTIVITIES** - It shall be the responsibility of each and every commissioner and employee to refrain from any illegal activities involving the District or District property and report any such violations without regard to the persons involved.

**E) HARASSMENT** - The District is committed to maintaining an environment free from harassment of any kind and any such conduct on the part of any commissioner or employee will be rigorously challenged to the fullest extent possible.

**F) DISCRIMINATION** - The District is committed to maintaining an environment free from gender, racial, cultural, religious, or other form of discrimination and any discriminatory conduct on the part of any commissioner or employee will be rigorously challenged to the fullest extent possible.

**G) DISTRICT PROPERTY** - The property of the District, including its financial resources, is a public asset and is not to be used for personal business or private gain. Each commissioner and employee is expected to utilize District property only for the benefit of District business and not in a manner that is wasteful or immoderate.



**H) CONFIDENTIALITY** - It shall be a violation of this code for any employee or commissioner to intentionally breach the District's confidentiality interest in any communication, whether written or oral, which would properly be deemed exempt from public disclosure or discussion under RCW Chapter 42.17 and 42.30. For purposes of this section, "confidentiality interest" shall refer to the District's legal strategies and matters relating to personnel actions or financial plans which are deemed exempt from disclosure. Should a question arise concerning the applicability of this section, the District's General Counsel, who, with any assistance deemed appropriate from the Hearings Examiner, shall provide a written response to same.

**I) FALSE ALLEGATIONS** - It shall be a violation of this code for any employee or commissioner to knowingly or recklessly file a false charge or report under these provisions.

**J) COMMISSIONER COMPENSATION** - Commissioners shall complete a time-sheet detailing the activity or activities, the nature of the District business, and time spent for each day per diem compensation is requested.

#### **SECTION 5. DISCLOSURE REQUIREMENTS**

Commissioners and employees shall disclose to the District the existence of any financial interests which they may hold or which may be held by their family members which involves or may involve a conflict of interest. To the extent that an employee or commissioner becomes aware of any information regarding the financial interests of any other employee or commissioner which might bear on a conflict of interest or information which might concern any ethical issue or the evaluation of any other ethical issue under this code, such information shall be communicated to the District's General Counsel without delay.

## **SECTION 6. SANCTIONS**

**A) EMPLOYEES** - Employees deemed to have violated this Code of Ethics will be disciplined in accordance with the existing requirements of the Employee Manual as may be modified from time to time or as may have been modified by union or other contract. Employees deemed to have violated this code with respect to the reimbursement of travel expenses shall be held responsible to return any monies improperly obtained or otherwise misused and may lose the privilege to receive future reimbursement of such expenses. The imposition of these sanctions shall in no way be deemed to shield the affected employee from any other sanctions which may be imposed under state law.

**B) COMMISSIONERS** - Subject to sub section 7 (B), Commissioners deemed to have violated this Code of Ethics may, at the discretion of the Hearing Examiner, be reported to the Public Disclosure Commission, Office of the State Auditor or other agency designated to review issues of the conduct of elected officials. The Hearing Examiner shall have the authority to cause notice of the violation to be published, at the expense of the Commissioner, in a newspaper of general circulation within the District. In addition, commissioners deemed to have violated this code with respect to the reimbursement of travel expenses shall be held responsible to return any monies improperly obtained or otherwise misused and may lose the privilege to receive future reimbursement of such expenses. The imposition of these sanctions shall in no way be deemed to shield the affected Commissioner from any other sanctions which may be imposed under state law.

**C) INDIVIDUALS** - Individuals and businesses doing business or requesting to do business with the District found to have been involved in any transaction with a

District commissioner or employee for which such commissioner or employee shall have been deemed to have violated this Code of Ethics, shall have any associated contracts declared void and will thereafter be ineligible to do business with the District for a period of not less than three years from the date such transaction is discovered.

#### **SECTION 7. ENFORCEMENT PROCEDURE**

Pursuant to Section 5 above, it shall be the responsibility of each employee and commissioner to report any violations or suspected violations of this Ethical Code of which they may have personal knowledge to the District's General Counsel, Manager or Board of Commissioners.

**A)** Alleged violations involving employees shall be handled as disciplinary proceedings pursuant to the Employee Manual or, where applicable, according to the terms of any collective bargaining agreements.

**B)** Allegations involving commissioners shall be in writing, with signature and date affixed, and shall be transmitted to the Clerk of the Board of Commissioners. In order to fairly apprise the affected commissioner or commissioners, along with the other Board members, of the nature of the allegation/s brought, a copy of the written complaint shall be provided to each commissioner following submission of the matter to the Board Clerk. The Board, excluding the member, or members, subject to the allegations, shall consider the allegations and determine whether the alleged violations of the Code are sufficient to warrant further review. If deemed to merit further review, the matter shall be submitted to an independent Hearing Examiner, who shall be chosen by the Board. If the Hearing Examiner shall deem that the matter brought to his/her attention may have merit, the matter shall be set for full Hearing Examiner review. The Hearing Examiner shall have the authority to investigate the matter in any

manner he/she shall deem necessary and appropriate and, with full regard to prevailing due process standards, to hold such hearings as shall be deemed necessary and appropriate to the consideration of the matter. The Hearing Examiner shall have the authority to develop rules relating to the hearings and may compel the attendance and cooperative participation of any employee or Commissioner. Hearings shall be open to the public. If the Hearing Examiner shall find that a violation has occurred, the commissioner or commissioners shall be asked to take action to remedy the problem. If the remaining commissioners deem that the action taken by a commissioner to remedy the problem are sufficient, then the matter shall be considered concluded. If the remaining commissioners deem the remedy insufficient or if the commissioner involved refuses to act, the matter shall be handled by the Hearing Examiner pursuant to Section 6 above. Nothing in this section shall be deemed to limit a commissioner's right to undertake any legal challenge of the findings rendered hereunder or the imposition of any sanctions. Such challenge shall be at the expense of the commissioner, provided that if such commissioner shall prevail or substantially prevail, the District shall be responsible to reimburse the commissioner for all legal expenses incurred.

#### **SECTION 8. REVIEW**

In order to ensure that the Ethics Code shall continue to serve as a statement of the ethical values of each Board of Commissioners, this Code shall be reviewed every two years henceforth, commencing in 1998, to coincide with the seating of each new Board of Commissioners.