

WATER DISTRICT NO. 19
BOARD OF COMMISSIONERS MEETING
Monday, December 14, 2009

SPECIAL MEETING
9:00 AM

A special meeting of the Board of Commissioners of Water District 19 was held at the district office. The primary purpose of the meeting was to participate in an exit audit interview with the Washington State Auditor's office. The Vashon Beachcomber and the Vashon Loop were notified in advance of the special meeting. Those present were President **Frank Jackson**, Commissioner **Steve Haworth**, General Manager **Jeff Lakin**, and Office Administrator **Melody Snyder**. Washington State Auditors Annette Boulmetis and Carol Ehlinger participated by telephone conference. Visitor present was Commissioner-Elect Bob Powell.

The meeting was called to order at 9:00 AM

1. **VISITOR BUSINESS** – There were no visitors present.

2. **EXIT AUDIT REVIEW** – Annette Boulmetis began the meeting with a short summation on the scope of the audit, accountability for public resources and legal compliance, audit reports, other required communications and their audit results. Exit items covered were Open Public Meetings, Gifting of Public Funds, Commissioner Compensation, Performance Bonds and Prevailing Wages. See attached Exit Items reporting. Ms. Boulmetis also reviewed prior audit recommendations and two of the three had been resolved. The third, relating to non Compliance with Prevailing Wage requirements was unresolved. They strongly recommended that the district improve our understanding of the prevailing wage requirements. In conclusion, they reported no findings or management related items. They will review the status of the exit items in their next audit which will be conducted in 2012.

3. **WATER & SEWER RISK MGMT POOL** – **General Manager Lakin** spoke about the process contained in the Memorandum of Coverage for our policy that relates to legal counsel selection procedures in conjunction with a damage claim.

4. **MEETING CONCLUDED @ 9:45 AM**

King County Water District 19

Exit Items:

Open Public Meetings - Executive Sessions

(1A) We noted during our review of the meeting minutes that in five instances, (once in 2008 & 2007 and 3 times in 2006), the minutes indicate that the reasons given for the executive sessions were that they were held to "discuss personnel matters".

The Washington State Attorney General provides guidance in their "Open Government Internet Manual" regarding the purpose of Executive Sessions:

"The announced purpose of the executive session must be one of the statutorily-identified purposes for which an executive session may be held. The announcement therefore must contain enough detail to identify the purpose as falling within one of those identified in RCW 42.30.110(1). It would not be sufficient, for example, for a mayor to declare simply that the council will now meet in executive session to discuss "personnel matters." See Municipal Research Service Center - OPMA Frequently Asked Questions, No. 12. Discussion of personnel matters, in general, is not an authorized purpose for holding an executive session; only certain specific issues relating to personnel may be addressed in executive session. See RCW 42.30.110(1)(f), (g)."

(1B) We noted one instance of an Executive session on March 12, 2007 that was not announced at a regular or special meeting to discuss a specific topic. The Commissioners did not enter into an Executive Session from a regular or special meeting.

Gift of Public Funds

(2) The District paid membership dues to VASHON ISLAND ROTARY CLUB in the amount of \$257.00 in 2006 and \$384.00 in 2007. Per our review of the meeting minutes and resolutions we noted no motion by the governing body approving the membership. The District was unable to provide a reason for these expenditures which indicate a public purpose was served.

Commissioner Compensation

(3) During our testing of commissioner's compensation we noted two instances in which compensation was incorrectly calculated which resulted in \$124 of additional compensation to KC Water District 19 Commissioners.

(4) Performance Bond and Prevailing Wages

The District hired a consultant to oversee the engineering and construction for the public works project --- Beall well drilling. Since the work was performed by contract, the District is required to ensure a performance bond is received. In addition, as custodian of public funds, it is the District's responsibility to ensure an intent to pay prevailing wages is filed by the contractor and every subcontractor. Neither the District, nor its Contractor, Landau & Associates requested a performance bond for the construction contract of a public works project. In addition, an Intent to pay prevailing wages was not filed per RCW 39.12.040