



Highline Water District Regular Board Meeting Minutes November 21, 2012

ATTENDEES		
COMMISSIONERS Gerald R. Guite Daniel Johnson Vince Koester George Landon Kathleen Quong-Vermeire	HWD STAFF Matt Everett, General Manager Jeremy DelMar, Engineering/Operations Mgr. Debra Prior, Administrative Manager Mary Fossos, Project Coordinator, CIPs	HWD ATTORNEY(S) John Milne, Inslee-Best VISITORS Haji Adams, Asst. State Auditor Alphonso Melton, Asst. Audit Manager
Strikeouts indicate absence		

1. CALL TO ORDER

President Koester called the meeting to order at 4:00 p.m.

2. APPROVE AGENDA

Commissioner Guite's motion to approve the Agenda as presented seconded by Commissioner Landon. The motion carried unanimously.

3. CONSENT AGENDA

Consent Agenda items are considered to be routine and non-controversial and are generally approved as a group with one motion. Any Commissioner may remove any item from the Consent Agenda for separate discussion and action. Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.080 have been recorded on a listing which was made available to the Board of Commissioners.

Minutes:	November 7, 2012 Regular Meeting				
WARRANTS					
Fund Name	Fund No.	Scheduled Payment Date	Voucher Numbers		TOTAL AMOUNT
Maintenance	09-075-0030	11/26/12	15872 - 15929		\$ 649,446.24
Construction	09-075-0010	11/26/12	901443 - 901446		\$ 40,521.85
ELECTRONIC FUNDS TRANSFERS					
Description	Fund No.	Period Ending	EFT Transfer Date	TOTAL AMOUNT	
Payroll Tax	09-075-0010	11/09/12	11/21/12	\$	20,310.69
Direct Deposit – Payroll (KC-PAY47)	09-075-0010	11/09/12	11/16/12	\$	63,670.81
Dept of Retirement	09-075-0010	11/09/12	12/14/12	\$	10,235.63
Dept of Retirement – Deferred Compensation	09-075-0010	11/09/12	11/16/12	\$	2,793.00
Health Equity (KC-BEN96)	09-075-0010	11/09/12	11/16/12	\$	189.00
HRA-VEBA (KC-BEN60)	09-075-0010	11/09/12	11/16/12	\$	2,073.50
Dept of Revenue - B&O Tax	09-075-0010	10/31/12	11/27/12	\$	69,815.34
CONSENT AGENDA RESOLUTIONS					
Item #	Resolution #	Description			
NONE					

Commissioner Guite's motion to approve the Consent Agenda as presented seconded by Commissioner Landon. The motion carried unanimously.



Highline Water District Regular Board Meeting Minutes November 21, 2012

3A WASHINGTON STATE AUDIT ENTRANCE CONFERENCE

Haji Adams, Assistant State Auditor and Alphonso Melton, Assistant Audit Manager, were in attendance.

Mr. Adams distributed to the Board and staff an Entrance Conference Document that outlined the audit process. Mr. Adams stated that the District's audit would include the following: Accountability Audit for the fiscal year 2011 and a Financial Statement Audit for the fiscal year 2011. The State Auditor will issue an Accountability Audit Report and a Financial Statement Audit Report to the District by December 2012. Mr. Adams stated that the cost of the audit is estimated to be approximately \$15,400 plus travel expenses.

4. PUBLIC INPUT

Daryl Tapio, Olympic Development, attended the meeting (reference Item No. 6).

5. RESOLUTIONS/MOTIONS

Resolution 12-11-21A authorizing the General Manager to exercise a Consent for Easement Use with Sound Transit relating to utility relocation work for the S 188th St to S 200th St Link. Commissioner Landon's motion to approve seconded by Commissioner Quong-Vermeire. After discussion, the motion carried unanimously.

6. GENERAL FACILITY CHARGES (GFC) AND LOCAL FACILITY CHARGES (LFC) FOLLOW-UP PRESENTATION

Per Board Motion 12-9-5(2), District staff was to obtain connection charge studies from five (5) local water districts to determine how their respective General Facility and Local Facility charges are calculated.

The District's Engineer requested studies from the following Districts: Cedar River Water and Sewer; KCWD 20; KCWD 49; KCWD 90; KCWD 125 and Soos Creek Water and Sewer. The goal was to select 3 Districts with and 3 without LFC charges. KCWD 20 did not provide report. KCWD 90 provided planning memos but no report describing methodology or calculations. Soos Creek is working on update and declined providing a copy until complete.

The Summary and Conclusions of the comparisons are as follows:

- No direct correlation between HWD and other rate studies (CIP/ERU/Growth rates different)
- If HWD was to use other District's methodology(s), GFC calculation would increase significantly (replacement CIP not figured in current calculations; only growth related CIP in calculations)
- Insufficient data gathered regarding comparison of LFC calculations (information requested but not provided)
- Based on a 7,200 Sq. Ft. lot, the District's charges are in the middle of the six (6) other Districts and few developers pay the fee



**Highline Water District
Regular Board Meeting Minutes
November 21, 2012**

**6. GENERAL FACILITY CHARGES (GFC) AND LOCAL FACILITY CHARGES (LFC)
FOLLOW-UP PRESENTATION**

Mr. Tapio distributed a document he prepared comparing New Water Meter Costs of Single Family Homes. The comparison included Lakehaven Utility District, KCWD 125, KCWD 49, City of Tukwila, City of Kent, KCWD 20 and Highline. Mr. Tapio's document showed that Highline's connection charges are higher than the others when an LFC is required to be paid.

7. STAFF/COMMISSIONERS/ATTORNEY

Jeremy DelMar

7.1 S 178th St Water Main Replacement - Jeremy informed the Board that S 178th Street will be redeveloped by Segale next summer (2013). The existing 8" AC and CI water main will be abandoned in place and replaced with approximately 2,700 LF of 12" DI water main. Puget Sound Energy has a high-pressure gas main in the hill which will also need to be relocated for the new road. This project will be added to the District's 2013 Capital Improvement Program.

Matt Everett

- 7.2 2012 Water Supply vs. Water Sales - Matt stated that from January through October 2012, the water sales are comparable to 2011. The unaccounted for water loss is at 8.5%.
- 7.3 Draft 2013 Goals & Objectives - Staff distributed a draft of the Goals & Objectives to the Board for their review and comment. The Goals and Objectives will be discussed at the 11/27/12 Board Workshop. A resolution to approve the 2013 Goals & Objectives will be presented to the Board at the 12/5/12 Regular Board meeting.
- 7.4 Retrospective Rating Refund from WASWD - The District received a refund of \$12,995.28.

There being no further business of the District, President Koester concluded the meeting at 5:11 p.m.


BOARD OF COMMISSIONERS



Vince Koester, President



Daniel Johnson, Secretary



Gerald R. Guite, Commissioner



George Landon, Commissioner



Kathleen Quong-Vermeire, Commissioner