



**Highline Water District
Regular Board Meeting Minutes
December 17, 2014**

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

1. CALL TO ORDER

President Quong-Vermeire called the meeting to order at 9:00 a.m.

2. APPROVE AGENDA

Motion duly made and seconded to approve the Agenda as presented. The motion carried.

3. CONSENT AGENDA

Motion duly made and seconded to approve the Consent Agenda as presented. The motion carried.

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: December 3, 2014 Regular Meeting

WARRANTS				
Fund Name	Fund No.	Warrant Date	Vouchers	AMOUNT
Maintenance	09-075-0010	12/18/14	18257 - 18318	\$ 430,166.21
Construction	09-075-3030	12/18/14	901682 - 901687	\$ 6,147.28
Maintenance - Payroll	09-075-0010	12/05/14	302501 - 302505	\$ 5,867.90
Maintenance - Payroll	09-075-0010	12/12/14	302506 - 302506	\$ 703.84

ELECTRONIC TRANSFER FUNDS				
Description	Fund No.	Period Ending	EFT Transfer Date	AMOUNT
Payroll Tax	09-075-0010	11/28/14	12/10/14	\$ 12,266.91
Payroll Tax	09-075-0010	12/05/14	12/17/14	\$ 23,920.16
Direct Deposit – Payroll (PAY47)	09-075-0010	11/28/14	12/05/14	\$ 15,526.78
Direct Deposit – Payroll (PAY47)	09-075-0010	12/05/14	12/12/14	\$ 64,024.22
Dept of Retirement	09-075-0010	11/28/14	01/15/14	\$ 232.16
Dept of Retirement	09-075-0010	12/05/14	01/15/14	\$ 12,636.70
Dept of Retirement - Deferred Compensation	09-075-0010	12/05/14	12/12/14	\$ 3,640.50
Health Equity (KC-BEN96)	09-075-0010	12/05/14	12/12/14	\$ 197.95
Health Equity (KC-BEN105)	09-075-0010	12/05/14	12/12/14	\$ 88.36
HRA VEBA (KC-BEN60)	09-075-0010	12/05/14	12/12/14	\$ 3,507.67

CONSENT AGENDA RESOLUTIONS		
Item #	Resolution #	Description
None		



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4. PUBLIC INPUT

No members of the public attended the meeting.

4A. NOTICE OF PLANNED FINAL ACTION EMINENT DOMAIN PROCEEDINGS (RCW 8.25.209) RELATING TO THE ANGLE LAKE WATER MAIN REPLACEMENT PROJECT

The notice was published in the Seattle Times on December 3 and 10, 2014. The property owner, Mark M. McGregor, did not attend the meeting.

Action Taken: Reference Resolution 14-12-7A.

5. RESOLUTIONS/MOTIONS

Resolution 14-12-17A authorizing and approving acquisition by negotiation or condemnation of Real Property (Assessor's Tax/Parcel No. 0240000045) relating to Project 13-1A Angle Lake Water Main Replacement. Motion duly made and seconded. After discussion, the motion carried unanimously. Reference Item 4A.

Resolution 14-12-17B adopting the 2015 Operating Budget. Motion duly made and seconded. After discussion, the motion carried unanimously.

Resolution 14-12-17C adopting the 2015 Capital Improvement Program. Motion duly made and seconded. After discussion, the motion carried unanimously.

Resolution 14-12-17D adopting the 2015 Goals & Objectives. Motion duly made and seconded. After discussion, the motion carried unanimously.

Resolution 14-12-17E authorizing Amendment No. 2 with BHC Consultants (Contract #12-60-03) relating to Project 13-1A Angle Lake Water Main Replacement. Motion duly made and seconded. After discussion, the motion carried unanimously.

Motion 14-12-17(1) duly made and seconded to excuse Commissioner Guite's absence for today's meeting. After discussion, the motion carried unanimously.

Motion 14-12-17(2) duly made and seconded to authorize increase in rates and charges by the District's legal counsel (Inslee, Best, Doezie & Ryder, P.S.), as referenced in Item 6.2 and incorporated herein. After discussion, the motion carried unanimously.

Motion 14-12-17(3) duly made and seconded to approve and authorize the General Manager to sign the Petition for Annexation (Argus Annexation) for said parcel (Tax Lot No. 152204-9160) to be annexed to and become a part of Midway Sewer District. After discussion, the motion carried unanimously. Reference Item 6.7.

Motion 14-12-17(4) duly made by Commissioner Koester and seconded by Commissioner Johnson to authorize and direct the General Manager and counsel to discuss a franchise with the City of SeaTac staff and to keep the Board further advised. After discussion, the motion carried unanimously. Reference Item 8 – Executive Session.



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6. STAFF/COMMISSIONERS/ATTORNEY

John Milne

6.1 Assumption Bill Meeting - Milne informed the Board and staff that a meeting will take place at Cascade Water Alliance (moderator). Representatives of the Association of Washington Cities (lead by the City of Kent attorney), WASWD Executive Director, Blair Burroughs and Andy Maron, Attorney, and John Kounts, Water Program Manager, Washington Public Utility Districts Association, will be attending the meeting. Milne will keep the Board and staff updated.

6.2 Increase in Rates and Charges for Legal Services (Inslee, Best, Doezie & Ryder, P.S.)
John Milne submitted a memo dated 11/25/14 to the General Manager and Board of Commissioners (distributed at the 12/3/14 Board meeting) with the following proposal to increase Rates & Charges for Legal Services effective January 1, 2015:

FEE AND RATE PROPOSAL FOR 2015-2016:

The Board approved the present rate schedule in 2011. In the past three years the cost of living index has increased and the firm has experienced significant increases in overhead including rent, staff salaries, health care costs and other benefits.

Therefore, Inslee, Best, Doezie & Ryder, P.S. respectfully requests the Board approve the following rates and charges commencing January 1, 2015:

1. Senior Municipal Group Partners (John Milne, Rod Kaseguma, William Linton) - **\$295** per hour.
2. Junior Municipal Group Partners (Rosemary Larson, Dawn Findlay Reitan, Eric Frimodt) - **\$275** per hour.
3. Associates – regular hourly rates.
4. Non Municipal Group Partners – 10% less than regular hourly rates rounded to the next lowest \$5.00 increment.

These rates would remain in effect through the year 2016, would be used for all legal services requested from Inslee, Best and would not be changed without prior mutual written agreement. Inslee, Best would continue to bill on a monthly basis for legal services rendered and for the out-of-pocket expenses incurred on the District's behalf as referenced above. Action Taken: Reference Motion 14-12-17(2).

Jeremy DelMar

6.3 Tyee Well Rehabilitation Update – Jeremy discussed with the Board the consultant's (Robinson & Noble) preliminary findings. Robinson & Noble recommended the following: (1) mechanical rehabilitation; (2) acid treatment for filter pack; (3) installation of an Aquastream on the well; and (4) replacing well pump with one that is accurately sized according to District's water right. The District is reviewing other options with Robinson & Noble. The District has budgeted \$250,000 for the well rehabilitation in 2015.



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6. STAFF/COMMISSIONERS/ATTORNEY

Debbie Prior

- 6.4 State Audit – New auditor will continue with audit in late December/January 2015.
- 6.5 Last Payroll in 2014 – Time sheets are due on Friday, December 19th.

Matt Everett

- 6.6 General Manager Performance Review - Matt included in the Managers' Report a copy of the evaluation form. An executive session for the performance review will be scheduled in January.
- 6.7 Midway Sewer District - Argus Annexation Petition MS 2015-1 – Highline Water owns a small parcel of land within the area of the proposed annexation. Matt stated he had no issues with the annexation and asked the Commissioners if they wanted the said parcel (Tax Lot No. 152204-9160) to be annexed to and become a part of Midway Sewer District as provided in RCW 57.24.070. Action Taken: Reference Motion 14-12-17(3).
- 6.8 HWD Conservation Poster Calendar Contest – Matt and Polly Daigle visited the local elementary schools that participated (Parkside, Gregory Heights and North Hill) in the District's poster contest. The students whose posters were included in the District's 2015 Conservation Calendar were awarded with a Certificate of Achievement, a gift card to a local bookstore and two calendars.
- 6.9 L & I Retrospective Rating – The District's rating improved from an experience factor of 1.05 in 2013 to 0.788 in 2014 which will save the District approximately \$9,500.
- 6.10 Commissioners' Workshop 1/31/15 (Lynnwood, WA) – Commissioner Quong-Vermeire is registered for the workshop. Matt asked the other Commissioners to let him know if they plan to attend.
- 6.11 General Manager Vacation – Matt will be on vacation from 12/22/14 - 01/02/15.

Dan Johnson

- 6.12 Global Connections High School (GHS) Watershed Modeling Presentation (4424 S. 188th St., Seatac, WA 98188) – Commissioner Johnson mentioned that the 9th grade integrated science classes at GHS will give presentations as the culmination to a watershed modeling unit. The science teachers are asking for adults in the community to volunteer to judge the presentations.

7. OTHER

None



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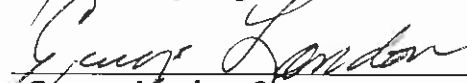
8. EXECUTIVE SESSION TO DISCUSS POTENTIAL LITIGATION UNDER RCW 42.30.110(1)(i) — SeaTac Utility Tax and Franchise

District staff requested an executive session to discuss potential litigation pursuant to RCW 42.30.110 (1)(i) relating to a possible City of SeaTac utility tax and franchise. On motion duly made, seconded and carried unanimously, an executive session was convened on that basis. The Commissioners, District Managers and Milne then attended the executive session. Before convening the executive session at 10:10 a.m., President Quong-Vermeire advised the executive session would conclude at 10:30 a.m. At 10:30 a.m., the executive session concluded and open public meeting reconvened. Action Taken: Reference Motion 14-12-17(4).

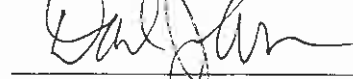
There being no further business of the District, President Quong-Vermeire concluded the meeting at 10:32 a.m.

BOARD OF COMMISSIONERS


Kathleen Quong-Vermeire, President


George Landon, Secretary


Gerald R. Guite, Commissioner


Daniel Johnson, Commissioner


Vince Koester, Commissioner