



Highline Water District Regular Board Meeting Minutes December 21, 2016

ATTENDEES			(Strikeouts indicate absence)
COMMISSIONERS Todd Fultz 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 CONSULTANTS	

1. CALL TO ORDER

President Koester 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 unanimously.

3. CONSENT AGENDA

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

Minutes:		December 7, 2016 Board Meeting			
WARRANTS					
Fund Name	Fund No.	Warrant Date	Vouchers	AMOUNT	
Maintenance	09-075-0010	12/12/16	20757 - 20757	\$ 3,969.66	
Maintenance	09-075-0010	12/21/16	20758 - 20808	\$ 383,376.30	
Construction	09-075-3030	12/21/16	901955 - 901964	\$ 98,338.03	
ELECTRONIC TRANSFER FUNDS					
Description	Fund No.	Period Ending	EFT Transfer Date	AMOUNT	
Payroll Tax	09-075-0010	12/02/16	12/14/16	\$ 24,796.42	
Payroll Tax	09-075-0010	12/16/16	12/28/16	\$ 23,810.68	
Direct Deposit – Payroll	09-075-0010	12/02/16	12/09/16	\$ 65,508.42	
Direct Deposit – Payroll	09-075-0010	12/16/16	12/23/16	\$ 63,564.50	
Dept of Retirement	09-075-0010	12/02/16	01/13/17	\$ 16,243.88	
Dept of Retirement	09-075-0010	12/16/16	01/13/17	\$ 16,193.97	
Dept of Retirement - Deferred Compensation	09-075-0010	12/02/16	12/09/16	\$ 4,073.00	
Dept of Retirement - Deferred Compensation	09-075-0010	12/16/16	12/23/16	\$ 4,073.00	
Health Equity (KC-BEN96)	09-075-0010	12/02/16	12/09/16	\$ 256.96	
Health Equity (KC-BEN96)	09-075-0010	12/16/16	12/23/16	\$ 256.96	
Health Equity (KC-BEN105)	09-075-0010	12/02/16	12/09/16	\$ 101.18	
Health Equity (KC-BEN105)	09-075-0010	12/16/16	12/23/16	\$ 101.18	
HRA VEBA (KC-BEN60)	09-075-0010	12/02/16	12/09/16	\$ 5,101.97	
HRA VEBA (KC-BEN60)	09-075-0010	12/16/16	12/23/16	\$ 5,101.97	
CONSENT AGENDA RESOLUTIONS					
Item #	Resolution #	Description			
None					



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3A. PUBLIC HEARING - PROPOSED 2017 RATES

The purpose of the hearing is to give the public an opportunity to comment on the proposed modification of the rates for 2017.

President Koester opened the public hearing at 9:04 a.m. to receive comments from the public on the proposed adoption of the 2017 Rates. The General Manager gave a presentation to explain the justification for the proposed modifications of the water and miscellaneous rates as follows:

- Rate consultant recommended a 2.6% rate increases as part of Comp Plan Update
- Keep up with Inflation – no rate increases for past 2 years
- Considerable Capital Improvement Projects:
 - Sound Transit Projects
 - 75 miles of AC Water Main
 - Meter Replacements
 - Other Projects, New Pump Station, SR-509, etc.

At 9:18 a.m., President Koester asked if any members of the public wished to address the Board. There was no public comment on the proposed action. President Koester closed the public hearing at 9:19 a.m. Action Taken: Reference Item 5 - Resolution 16-12-21A.

4. PUBLIC INPUT

No members of the public attended the meeting.

5. RESOLUTIONS/MOTIONS

Resolution 16-12-21A adopting the 2017 Water Rates and amending accordingly the Highline Water District Code, Chapter 6.04, Section 6.04.020 Water/Miscellaneous Rates and Section 6.04.030 Hydrant Meters. Motion duly made and second. After discussion the motion carried unanimously.

Resolution 16-12-21B adopting the 2017 Operating Budget. Motion duly made and second. After discussion the motion carried unanimously.

Resolution 16-12-21C adopting the 2017 Capital Improvement Program. Motion duly made and second. After discussion the motion carried unanimously.

Resolution 16-12-21D adopting the 2017 Goals & Objectives. Motion duly made and second. After discussion the motion carried unanimously.

Motion 16-12-21(1) duly made and seconded to authorize increase in rates and charges (2017-2018) by the District's legal counsel (Inslee, Best, Doezie & Ryder, P.S.), as referenced in Item 6.1 and incorporated herein. After discussion, the motion carried unanimously.



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6. STAFF/COMMISSIONERS/ATTORNEY

John Milne

- 6.1 Increase in Rates and Charges for Legal Services (Inslee, Best, Doezie & Ryder, P.S.
John Milne submitted a memo dated 12/09/16 to the General Manager and Board of Commissioners with the following proposal to increase Rates & Charges for Legal Services effective January 1, 2017 through December 31, 2018:

FEE AND RATE PROPOSAL FOR 2017-2018:

The Board approved the present rate schedule in 2014. In the past two 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, 2017:

1. Senior Municipal Group Partners - **\$310** per hour.
2. Junior Municipal Group Partners - **\$295** 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 2018, 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 16-12-21(1).

- 6.3 King County Franchise Ordinance 2016-0521 – Jim Kuntz, WASWD Executive Director, will send an email to King County Water and Sewer Districts to determine how many Districts' are interested in participating with an "Information Gathering" phase related to the Ordinance and its issues. Inslee Best is the law firm that would collectively represent the Districts' for the "Information Gathering" phase. All participants would share in the legal costs.

The Board was in agreement for the District to participate.

- 6.4 Milne gave the District a copy of a book he wrote on insurance standards.

Jeremy DelMar

- 6.5 12/18/16 Main Break @ 2100 S 272nd St – On Sunday morning an 8" cast iron main had ruptured. Water entered the leasing office of the Boulevard Apartment complex, which was closed for remodeling. No property damage occurred to the building. Dave Stanley, Field Supervisor, prepared a report with the details of the main break which was provided to the Board.



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6.6 Preventative Maintenance Lead – Dan Sleeth gave his notice. Dan’s last day will be 12/28/16.

Debbie Prior

6.7 Surplus Items – The 1990 backhoe proceeds were \$8,400 and the Ford pickup truck proceeds were \$7,462 at the state auction sale.

6.8 State Audit – The audit is complete. The exit conference will be held at the 1/18/17 Board meeting.

Matt Everett

6.9 Legal Costs – At the 12/7/16 Board meeting, President Koester asked staff to inform the Board of the legal costs for Pump Station No. 8 property acquisition and the Des Moines Franchise Agreement. The legal costs were \$14,000 and \$27,000, respectively.

6.10 Unaccounted for Water (January – November 2016) – The unaccounted for water loss was at 7.68%.

6.11 2016 Service Awards – Greg Wilson was named Employee of the Year; Al Metz and Shane Heflen earned Excellent Attendance awards; Teya Hillerman and Mike Becker earned Outstanding Attendance awards.


6.12 Water Conservation Poster Contest – Matt and Polly Daigle visited the participating schools and presented awards to the students and teachers last week.

There being no further business of the District, President Koester concluded the meeting at 9:57 a.m.

BOARD OF COMMISSIONERS



Vince Koester, President



Todd Fultz, Secretary



Daniel Johnson, Commissioner



George London, Commissioner



Kathleen Quong-Vermeire, Commissioner