



Highline Water District Board Workshop Meeting Minutes March 27, 2018

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

1. CALL TO ORDER

President Johnson 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: | March 21, 2018 Regular Meeting | | | | |
|---------------------------------|--------------------------------|---------------|-------------------|--------|-----------|
| WARRANTS | | | | | |
| Fund Name | Fund No. | Warrant Date | Vouchers | AMOUNT | |
| Maintenance | 09-075-0010 | 03/29/18 | 22425 - 22453 | \$ | 38,150.82 |
| Construction | 09-075-3030 | 03/29/18 | 902092 - 902092 | \$ | 1,189.94 |
| Maintenance - Payroll | 09-075-0010 | 03/30/18 | 302606 - 302606 | \$ | 335.57 |
| ELECTRONIC FUNDS TRANSFERS | | | | | |
| Description | Fund No. | Period Ending | EFT Transfer Date | AMOUNT | |
| Payroll Tax | 09-075-0010 | 03/23/18 | 04/04/18 | \$ | 26,818.67 |
| Direct Deposit – Payroll | 09-075-0010 | 03/23/18 | 03/30/18 | \$ | 73,513.82 |
| Dept of Retirement | 09-075-0010 | 03/23/18 | 04/13/18 | \$ | 20,175.40 |
| Department of Revenue - B&O Tax | 09-075-0010 | 02/28/18 | 03/29/18 | \$ | 45,812.10 |
| CONSENT AGENDA RESOLUTIONS | | | | | |
| Item # | Resolution # | Description | | | |
| None | | | | | |

3A. PUBLIC HEARING PER RCW 57.08.120

Proposed Communications Site Use and License Agreement with New Cingular Wireless PCS, LLC (AT&T) - (Mansion Hill Site - 21420 31st Ave S, SeaTac, WA)

President Johnson opened the public hearing at 9:04 a.m. No members of the public attended the meeting. After discussion, President Johnson closed the public hearing at 9:10 a.m. and reconvened the regular portion of the open public meeting.

4. PUBLIC INPUT

No members of the public attended the meeting.



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5. RESOLUTIONS

Resolution 18-3-27A authorizing Communications Site Use and License Agreement by and between Highline Water District and New Cingular Wireless PCS, LLC (AT&T) - Mansion Hill Site . Motion duly made and seconded. After discussion, the motion carried unanimously.

Resolution 18-3-27B authorizing Consultant Agreement #18-60-08 with Gray & Osborne, Inc. for Peer Review of the 90% Plans, Specifications and Cost Estimate for the Mansion Hill Reservoir Relocation Project. Motion Duly made and seconded. After discussion, the motion carried unanimously.

Motion 18-3-27(1)

Reference Item 8 Executive Session (Potential Litigation - City Of Federal Way Excise Tax)

6. DRAFT 2017 ANNUAL REPORT

The Board was provided with a draft copy of the 2017 Annual Report for their review and comments.

7. OTHER

Jeremy DelMar

7.1 Project 17-3 12th Pl/13th Ave S AC Water Main Replacement – DelMar reported the City of SeaTac had recently opened bids for its "12th Pl. South and 12th Ave. South Overlay and Water Main Replacement Project" and had received a protest relating to Schedule B, the District's water main replacement work which had been included in the Project work by interlocal agreement between the City and the District. The low bid had been submitted by Kar-Vel, but R.W. Scott contended that Kar-Vel's bid for the water main work was unbalanced and therefore should be rejected. The District's attorney had discussed the issue with the City's attorney, and it is DelMar's understanding the City is likely to deny the bid protest and award the Project contract to Kar-Vel. He will keep the Board further advised.

John Milne

7.2 King County Franchise (Imposes a rental fee on utilities in unincorporated King County) – Milne updated staff and the Board that a Summary Judgment Motion is anticipated on July 27, 2018.

Debbie Prior

7.3 WASWD Spring Conference – Debbie distributed travel advances to the Commissioners that are attending the conference.

Kathleen Quong-Vermeire

7.4 On Line Bill Payment – Kathleen asked Debbie to see if some revisions could be made to page(s) 1 and 2 of the website. Debbie will research and update the Board at a future Board meeting.



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8. EXECUTIVE SESSION – POTENTIAL LITIGATION - CITY OF FEDERAL WAY EXCISE TAX

Staff and Milne requested an executive session due to potential litigation pursuant to RCW 42.30.110 (1) (i) to discuss the excise tax on the District's revenues the City of Federal Way City Council recently enacted. Commissioner Koester so moved on that basis. Commissioner Fultz seconded the motion which carried unanimously. Before convening the executive session at 9:40 a.m., Commissioner Johnson advised that the executive session would conclude at approximately 10:00 a.m. The Commissioners, District staff and Milne then attended the executive session. At 10:00 a.m., the executive session was extended to 10:10 a.m., which was publicly announced. At 10:10 a.m., the executive session was extended to 10:20 a.m., which was publicly announced. At 10:20 a.m., the executive session concluded and open public meeting reconvened.

Motion 18-3-27(1)

Following discussion, Commissioner Koester made the motion to retain the services of Phil Talmadge to represent the District, together with Milne, regarding the City of Federal Way excise tax matter; to authorize District staff with the assistance of counsel to join with other affected water-sewer districts to file suit against the City of Federal Way to invalidate the tax; and to pay 25% of the legal fees incurred by Talmadge and Milne in such litigation. Commissioner Landon seconded the motion, which carried unanimously. District staff and counsel will keep the Board further advised.

There being no further business of the District, President Johnson concluded the meeting at 10:25 a.m.

BOARD OF COMMISSIONERS



Daniel Johnson, President



Kathleen Quong-Vermeire, Secretary

Todd Fultz, Commissioner



Vince Koester, Commissioner



George Landon, Commissioner