



Highline Water District Board Workshop Meeting Minutes October 27, 2015

ATTENDEES		
COMMISSIONERS Todd Fultz Daniel Johnson Vince Koester George Landon Kathleen Quong-Vermeire	HWD STAFF Matt Everett, General Manager Jeremy DelMar, Engineering/Ops. Manager Debra Prior, Administrative Manager Mary Fossos, Project Coordinator, CIPs	HWD ATTORNEY(S) John Milne, Inslee Best (via phone) VISITORS Matthew Hankins, Assistant State Auditor Janise Hansen, Assistant Audit Manager Wendy Choy, Audit Manager
Strikeouts indicate absence		

1. CALL TO ORDER

Secretary 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.

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: October 21, 2015 Regular Meeting

WARRANTS

Fund Name	Fund No.	Warrant Date	Vouchers	AMOUNT
Maintenance	09-075-0010	10/29/15	19343 - 19361	\$ 46,526.32
Construction	09-075-3030	10/29/15	901792 - 901793	\$ 8,211.44

ELECTRONIC TRANSFER FUNDS

Description	Fund No.	Period Ending	EFT Transfer Date	AMOUNT
Dept of Revenue - B&O Tax	09-075-0010	09/30/15	10/27/15	\$ 102,548.60

CONSENT AGENDA RESOLUTIONS

Item #	Resolution #	Description
None		



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3A. WASHINGTON STATE AUDIT EXIT CONFERENCE

Matthew Hankins, Lead Auditor, Janise Hansen, Assistant Audit Manager, and Wendy Choy, Audit Manager, were in attendance. Mr. Hankins distributed a recap of the audit for the fiscal year 2014. Mr. Hankins, Ms. Hansen, and Ms. Choy discussed the following: Accountability Audit for 2014, which included the following areas: • Unemployment Self-Insurance; • Sole Source Procurement; • Material Compliance Requirements; • Contracted Services and the Financial Statements Audit Report for 2013-2014, which included the following: • Management Discussion and Analysis; • Statement of Net Position; • Statement of Revenues, Expenses and Changes in Net Position; • Statement of Cash Flows; • Notes to Financial Statements.

There were no uncorrected misstatements in the audited financial statements and no material misstatements in the financial statements corrected by management during the audit. Ms. Hansen was pleased to report that there were no exit items and that they appreciated the District's commitment to transparency and accountability.

4. PUBLIC INPUT

No members of the public attended the meeting.

5. RESOLUTIONS/MOTIONS

Resolution 15-10-27A duly made and seconded to authorize developer extension agreement (Starwater). After discussion, the motion carried unanimously.

Motion 15-10-27(1) duly made and seconded to excuse Commissioner Landon's absence for today's meeting. After discussion, the motion carried unanimously.

Motion 15-10-27(2) duly made by Commissioner Koester to oppose the proposed Des Moines utility/excise tax on the District's revenues, to authorize and direct the General Manager to provide the City Manager and Council members with a letter stating the reasons why the District opposed the tax, to testify at the City's October 29 hearing on the proposed tax, to inform affected District ratepayers of the proposed tax, to work with other affected utilities to oppose the tax, and to provide the City with a draft franchise for consideration providing for the payment of a franchise fee to the City in lieu of the proposed tax. Commissioner Johnson seconded the motion, which carried unanimously.

6. 3RD QUARTER FINANCIALS

Debbie Prior

6.1 Debbie reviewed the Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Sources and Applications of Funds (Budget vs. Actual) and answered questions of the Board.



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**7. OTHER
Vince Koester**

7.1 HB 1542/SB 5473 (Rule of 85) – Commissioner Koester stated that he was opposed to the bill, which would provide retirement benefits at earlier ages in the PERS 2 and 3 retirement system.

**8. EXECUTIVE SESSION TO DISCUSS POTENTIAL LITIGATION UNDER RCW 42.30.110(1)(i)
CITY OF DES MOINES POTENTIAL UTILITY TAX**

District staff requested an executive session pursuant to RCW 42.30.110(1)(i) to discuss potential litigation. On motion duly made, seconded and carried unanimously, an executive session was convened on that basis. The Commissioners, General Manager, District Engineer, Administrative Manager and John Milne, HWD Legal Counsel, then attended the executive session. Before convening the executive session at 10:05 a.m., Mr. Milne advised the executive session would conclude at 10:20 a.m. At 10:20 a.m. the executive session was extended for another five minutes which was publicly announced. At 10:32 a.m., the executive session concluded and open public meeting reconvened.

Action Taken: Reference Item No. 5, Motion 15-10-27(2).

There being no further business of the District, Secretary Koester concluded the meeting at 10:40 a.m.

BOARD OF COMMISSIONERS

George Landon, President


Vince Koester, Secretary


Todd Fultz, Commissioner


Daniel Johnson, Commissioner


Kathleen Quong-Vermeire, Commissioner