



**Highline Water District
Workshop Minutes
January 22, 2008**

COMMISSIONERS PRESENT

Gerald R. Guite
Vince Koester
George Landon
Kathleen Quong-Vermeire
Daniel Johnson

CONSULTANT PRESENT

Ron Dorn, BHC Consultants

STAFF PRESENT

Matt Everett, General Manager
Thomas Keown, Engineering/Operations Manager
Debra Prior, Administrative Manager
Mary Fossos, Project Coordinator, CIPs

ATTORNEY PRESENT

John Milne

Note: Strikeouts indicate absence

1. CALL TO ORDER

Commissioner Koester called the meeting to order at 9:00 a.m.

2. APPROVE AGENDA

Commissioner Johnson moved to approve the Agenda. Commissioner Quong-Vermeire seconded and the motion carried unanimously.

3. PROJECT 07-1 / 490 ZONE TRANSMISSION MAIN UPDATE

Tom informed the Board that the project was submitted to the PWTF Board and is currently on the approved list, pending legislative approval by March 2008. Brown & Caldwell is now beginning the final design phase of the project. The goal is to be ready to bid the project in March 2008.

4. PROJECT 05-3 16TH AVE S WATER MAIN REPLACEMENT

(City of Des Moines request for discount or no charges on 2" irrigation meter)

At the January 22, 2008 Workshop meeting, the Board of Commissioner and staff discussed the City of Des Moines request for Highline Water District to install a 2" irrigation meter at no cost or at a reduced cost because the City waived the District's right-of-way permit fees on 16th Avenue South.

After today's discussion, the Board of Commissioners unanimously passed a motion requiring the City to pay the District for the entire facility charges and fees. The Board's decision was based on District policy and past practice. All cities/jurisdictions have consistently paid the full District facility charges and fees, including the Cities of Kent, Seatac and Des Moines as part of the Pacific Highway South Improvements projects.

**5. PROJECT 06-3 / 2008 COMPREHENSIVE PLAN UPDATE
WATER DISTRICT NO. 54 FIRE SUPPLY ANALYSIS**

Ron Dorn, BHC Consultants, distributed to the Board and staff members a hard copy of his Power Point presentation. Ron gave a brief update on the following items for the 2008 Comprehensive Plan Update: (1) Population Forecasts; (2) Average Annual Demands; (3) Demand per Equivalent Residential Unit; (4) Water Demand Forecasts; and (5) Preliminary Deficiencies. Ron then commented on the baseline analysis and the alternative improvement evaluations for HWD to supply water/storage to Water District No. 54.

The Board thanked Mr. Dorn for his presentation. Matt said he would send the Fire Supply Analysis to Water District No. 54 and include the upfront costs.



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6. PORT OF SEATTLE CAR RENTAL FACILITY UPDATE

In 2007, the Port of Seattle advised the District that the Port owned the water improvements (located north of South 160th Street in addition to other Port-owned properties located south of the Property. The Port plans to construct a consolidated rental car facility on the property to serve Seatac Airport. Highline Water District contends ownership of said improvements. Per RCW 53.08.040, any Port has statutory authority in the State of Washington to provide water service on their property regardless if the property is being served by another utility.

Matt and John Milne (District's attorney) are scheduled to testify in Olympia at a Public hearing in the House Committee on Local Government on Friday, February 1, 2008. See attached House Bill 3031 which addresses the issues above.

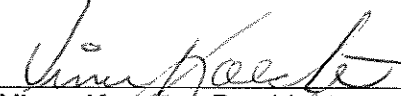
The Board was in agreement to wait and see what happens with HB 3031 before discussing options.

7. KING COUNTY INVESTMENT POOL


Matt attended a meeting last week (1/17/08) at Northshore Utility District to discuss the current investment issues regarding the King County Investment Pool. Ken Guy, King County Investment Pool representative, answered questions and stated that each Pool participant could lose up to 5% and were required to keep 5% of their investments in the pool if deciding to withdraw their funds. The Standard and Poors rating has been suspended. Matt recommended to the Board that the District should stay with the King County Investment Pool. The District will get an update in the first quarter.

There being no further business of the District, Commissioner Koester adjourned the meeting at 10:00 AM.

BOARD OF COMMISSIONERS



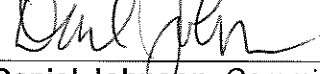
Vince Koester, President



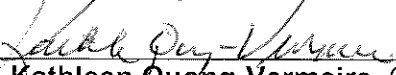
George Landon, Secretary



Gerald R. Guite, Commissioner



Daniel Johnson, Commissioner



Kathleen Quong-Vermeire, Commissioner

House Bill 3031

State of Washington 60th Legislature 2008 Regular Session
By Representatives Simpson, Schindler, Upthegrove, and Schual-Berke

1 AN ACT Relating to port districts providing sewer and water
2 utilities to district property and other property owners; and amending
3 RCW 53.08.040.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 53.08.040 and 2007 c 348 s 103 are each amended to
6 read as follows:

7 (1) A district may improve its lands by dredging, filling,
8 bulkheading, providing waterways or otherwise developing such lands for
9 industrial and commercial purposes. A district may also acquire,
10 construct, install, improve, and operate sewer and water utilities to
11 serve its own property and other property owners under terms,
12 conditions, and rates to be fixed and approved by the port commission.
13 A district may also acquire, by purchase, construction, lease, or in
14 any other manner, and may maintain and operate other facilities for the
15 control or elimination of air, water, or other pollution, including,
16 but not limited to, facilities for the treatment and/or disposal of
17 industrial wastes, and may make such facilities available to others
18 under terms, conditions and rates to be fixed and approved by the port
19 commission. Such conditions and rates shall be sufficient to reimburse

1 the port for all costs, including reasonable amortization of capital
2 outlays caused by or incidental to providing such other pollution
3 control facilities. However, no part of such costs of providing any
4 pollution control facility to others shall be paid out of any tax
5 revenues of the port, and no port shall acquire, construct, install,
6 improve, and operate, or enter into an agreement or contract to
7 provide, sewer and/or water utilities or pollution control facilities
8 to serve its own property and other property owners if (a)
9 substantially similar utilities or facilities are available from
10 another source (or sources) which is able and willing to provide such
11 utilities or facilities on a reasonable and nondiscriminatory basis,
12 (b) the property to be served is located within an area in which the
13 water or sewer utility is planned to be made available under an
14 effective comprehensive plan of another county, city, town, water-sewer
15 district, or public utility district, or (c) the property to be served
16 is located within the present and future service area boundaries of
17 another public water system included in a coordinated water system
18 under chapter 70.116 RCW, unless such other source (or sources), public
19 agency, or public water system consents thereto.

20 (2) In the event that a port elects to make such other pollution
21 control facilities available to others, it shall do so by lease, lease
22 purchase agreement, or other agreement binding such user to pay for the
23 use of said facilities for the full term of the revenue bonds issued by
24 the port for the acquisition of said facilities, and said payments
25 shall at least fully reimburse the port for all principal and interest
26 paid by it on said bonds and for all operating or other costs, if any,
27 incurred by the port in connection with said facilities. However,
28 where there is more than one user of any such facilities, each user
29 shall be responsible for its pro rata share of such costs and payment
30 of principal and interest. Any port intending to provide pollution
31 control facilities to others shall first survey the port district to
32 ascertain the potential users of such facilities and the extent of
33 their needs. The port shall conduct a public hearing upon the proposal
34 and shall give each potential user an opportunity to participate in the
35 use of such facilities upon equal terms and conditions.

36 (3) "Pollution control facility," as used in this section and RCW

1 53.08.041, does not include air quality improvement equipment that
2 provides emission reductions for engines, vehicles, and vessels.

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