



Highline Water District Workshop Minutes March 25, 2008

<p><u>COMMISSIONERS PRESENT</u> Gerald R. Guite Vince Koester (arrived at 10:05 am) George Landon Kathleen Quong-Vermeire Daniel Johnson</p> <p><u>CONSULTANT PRESENT</u> Angie Sanchez, FCS Group Sergey Tarasov, FCS Group</p>	<p><u>STAFF PRESENT</u> Matt Everett, General Manager Thomas Keown, Engineering/Operations Manager Debra Prior, Administrative Manager Mary Fossos, Project Coordinator, CIPs</p> <p><u>ATTORNEY PRESENT</u> John Milne</p>
<p>Note: Strikeouts indicate absence</p>	

1. CALL TO ORDER

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

2. APPROVE AGENDA

Commissioner Landon moved to approve the Agenda. Commissioner Johnson seconded and the motion carried unanimously.

3. RATE STUDY (FCS GROUP)

Angie Sanchez, Sergey Tarasov

Sergey distributed a hardcopy of the Power Point presentation to the Board and staff. FCS Group presented the following rate design options for consideration:

Proposed Rate Option 1: Cost of Service Rate Increases	
<p>Pros</p> <ul style="list-style-type: none"> • Results follow cost of service results, which are more defensible. • Revenue Stability (increased fixed portion). 	<p>Cons</p> <ul style="list-style-type: none"> • Meter costs slightly higher for single family.
Proposed Rate Option 2: Across the Board Rate Increases	
<p>Pros</p> <ul style="list-style-type: none"> • Even overall increases for every class. • Lower fixed increases for single family. 	<p>Cons</p> <ul style="list-style-type: none"> • Revenue collected from commercial class higher than cost of service.

After discussion, on motion duly made, seconded and carried, the Board of Commissioners unanimously agreed to utilize Option 1 - Cost of Service Rate Increase which includes a \$3.00 deduction per month for seniors and disabled customers. Matt will bring a resolution before the Board at the April 2, 2008 Regular meeting to authorize a Cost of Service Rate Increase effective June 1, 2008.

4. 2008 HWD BUDGET

Matt briefly reviewed the Capital Improvement Project costs in 2008 and proposed for 2009.



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5. 2007 ANNUAL REPORT

Matt asked the Board for their comments prior to final printing. Matt, Tom and Debbie reviewed items in the report for the Board.

6. HWD JACKETS

Matt polled the Commissioners to see what style of jacket they would like. The Board was in agreement that they would like a light-weight windbreaker style. Matt said staff will research further and will bring several options to the Board at a future meeting.

7. OTHER

Commissioner Quong-Vermeire commended Debbie Prior on earning a Bachelors Degree in Accounting and stated that education of staff is a factor regarding bond ratings for the District. Commissioner Quong-Vermeire would like to see this mentioned in the District's newsletter.

Matt updated the Board on the second leak adjustment request that was denied to customer Eric Towarnicki on the basis of District policy which states the customer must replace the service line which was not done. Matt said Mr. Towarnicki did receive the updated version of the District's form/policy for the first and second requests. Based on the District's policy, the Board was unanimous to uphold the denial.

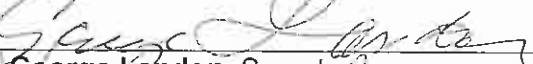
Commissioner Koester stated that he will attend the WASWD Executive Committee Breakfast meeting and recommend the Board be reduced from 15 to 7 members. Vince also commented on other issues to make the WASWD Board more effective.

There being no further business of the District, Commissioner Koester adjourned the meeting at 10:45 AM.

BOARD OF COMMISSIONERS



Vince Koester, President



George Landon, Secretary



Gerald R. Guite, Commissioner



Daniel Johnson, Commissioner

Kathleen Quong-Vermeire, Commissioner