



Highline Water District Minutes November 18, 2009

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| COMMISSIONERS PRESENT Gerald R. Guite Daniel Johnson Vince Koester George Landon Kathleen Quong-Vermeire CONSULTANT(S) PRESENT | STAFF PRESENT Matt Everett, General Manager Jeremy DelMar, Engineering Manager Debra Prior, Administrative Manager Mary Fossos, Project Coordinator, CIPs ATTORNEY(S) PRESENT John Milne |
| Note: Strikeouts indicate absence | |

1. CALL TO ORDER

President Johnson called the meeting to order at 4:00 p.m.

2. APPROVE AGENDA

Commissioner Guite's motion to approve the Agenda as presented was seconded by Commissioner Quong-Vermeire and carried unanimously.

3. CONSENT AGENDA

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).

| Fund Name | Fund No. | Warrant Date | Vouchers | | AMOUNT |
|--|-------------|---------------|-------------------|----------|---------------|
| Maintenance | 09-075-0010 | 11/24/09 | 012316 | - 012363 | \$ 575,081.47 |
| Construction | 09-075-3030 | 11/24/09 | 901130 | - 901132 | \$ 94,918.49 |
| Fund Name | Fund No. | Period Ending | EFT Transfer Date | | AMOUNT |
| Payroll Tax | 09-075-0010 | 11/13/09 | 11/25/09 | | \$ 21,640.33 |
| Direct Deposit | 09-075-0010 | 11/13/09 | 11/20/09 | | \$ 62,778.31 |
| HRA - VEBA | 09-075-0010 | 11/13/09 | 11/20/09 | | \$ 2,305.00 |
| Dept of Retirement | 09-075-0010 | 11/13/09 | 12/15/09 | | \$ 7,979.96 |
| Dept of Retirement – Deferred Comp. | 09-075-0010 | 11/13/09 | 11/20/09 | | \$ 3,116.50 |
| Commissioner Guite's motion to approve the Consent Agenda as presented was seconded by Commissioner Koester and carried unanimously. | | | | | |

4. PUBLIC INPUT

No members of the public attended the meeting.

5. RESOLUTIONS/MOTIONS

Resolution 09-11-18A Resolution Accepting Developer Extension As Complete (SeaTac YMCA). Commissioner Koester's motion to approve was seconded by Commissioner Guite. After discussion, the motion carried unanimously.

Resolution 09-11-18B authorizing amendment to Comprehensive Plan to allow extension to the water district system - South Correctional Entity (SCORE). Commissioner Koester's motion to approve was seconded by Commissioner Guite. After discussion, the motion carried unanimously.



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5. RESOLUTIONS/MOTIONS

Commissioner Koester's motion authorizing the General Manager to enter into a Water Main Relocation Agreement with Intercommunity Mercy Housing (IMH) to resolve a water main conflict with the Appian Way Apartments current renovation was seconded by Commissioner Guite.

Matt explained to the Board that during the renovation of the Appian Way Apartments, the District's DI water main cover was reduced to approximately 8 to 12 inches, which does not meet the District standard of 42" cover. District crews will relocate and lower the main and bill IMH for all the District's time and materials, after first receiving a deposit of \$15,730.00 from IMH.

After discussion, the motion carried unanimously.

6. STAFF / COMMISSIONERS / ATTORNEY INPUT

Matt Everett

Matt reviewed the following item(s) from the General Manager's Report of 11/18/09:

- Matt informed the Board of a water main leak at 114 S. 202nd St., which resulted in one customer's basement to fill with approximately 3" of water. District crews repaired the main and the customer was given a claim form. The approximate water loss was 648,000 gallons.
- Matt reviewed SPU's Comparison of 2009 Residential Rates with (29) Purveyors. Matt said Highline's rates are in the middle range.
- Matt reminded the Board that flu shots will be given tomorrow morning after the staff meeting.
- UA Local Union #32 – Discipline Grievance – Matt received a letter from Jeff Owen, Business Agent, requesting a meeting to discuss the disciplinary action of an employee. Mr. Owen stated the discipline issued to the employee was too severe.
- Cantwell Amendment #F1 to the America's Healthy Future Act of 2009

Title: Equalize the tax treatment of Health Reimbursement Arrangements (HRA) established by all governmental employers.

Description: Under current law, distributions from an HRA are excluded from gross income if they are used for qualified medical expenses. When a participant dies, the HRA can still be used to pay for qualified medical expenses of the participant's surviving spouse or qualified dependents and these amounts will not be included in the spouse/dependent's income.

IRS Revenue Ruling 2006-36, which took effect this year (2009), prohibits an HRA from providing excludable medical reimbursements to nondependent beneficiaries when no surviving spouse or qualified dependents remain after a participant's death.

The elimination of medical reimbursements to non-dependent heirs is a concern for employees contemplating continued participation in their HRA plan. The fear of potentially losing accumulated assets within this key retiree medical savings tool, due to an untimely death, strongly discourages individual HRA savings for future health care expenses.

Congress partially addressed these concerns in the Worker, Retiree, and Employer Recovery Act of 2008 for participants in plans provided by certain governmental employers. The criteria laid out in the law, which covers plans established in connection with a public retirement



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system that has been authorized by a state legislature, however, leaves out plans provided to governmental employees using VEBAs and plans that are established by local government employers.

The amendment would correct this disparity by including plans established by or on behalf of a state or a political subdivision thereof and qualified VEBAs in the special rule under IRC Section 105(j).

The amendment will include offsets sufficient to ensure that the amendment is revenue neutral.

Jeremy DelMar

- Project 08-1 Salt Air Hills Water Main Replacement – Jeremy, Ken Kase and Mark Pivetta met this morning at Midway Sewer District to discuss resolving contract revision issues. Mark Pivetta will write a letter to the District explaining and clarifying his arguments for the requested revisions.
- City of Normandy Park Proposed Well – The City of Normandy Park has for a permit to appropriate public waters, subject to existing rights, from a well in the amount of 90 gallons per minute, for emergency water supply.

Jeremy spoke with Pete Landry, Normandy Park Public Works Director, earlier today to discuss this matter. The comment period began November 20, 2009 and the District has thirty (30) days from that date to respond to the Department of Ecology with a detailed statement of the basis for objections.

Commissioner Quong-Vermeire requested more information. Jeremy will contact the Department of Ecology to get a copy of the application and forward to the Commissioners for their review.

Debbie Prior

- Debbie distributed the near final draft of the 2010 Operating Budget to the Board for their review prior to the 11/24/09 Workshop meeting.
- Debbie informed the Board that the District had a clean audit and the exit conference will coincide with the 12/16/09 Board meeting.

Jerry Guite

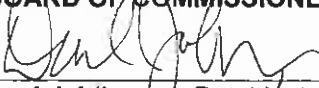
- Commissioner Guite asked Matt if the District has any recourse to renegotiate Highline's contract with SPU due to SPU's unfavorable audit. Matt will discuss with John Milne and update the Board at a future meeting.



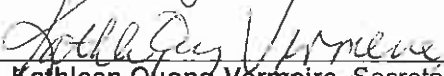
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There being no further business of the District, President Johnson adjourned the meeting at 5:15 PM.

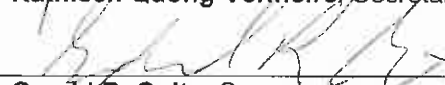
BOARD OF COMMISSIONERS



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Gerald R. Guite, Commissioner



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