1. CALL TO ORDER
President Koester called the meeting to order at 9:06 a.m.

2. APPROVE AGENDA
Commissioner Guite’s motion to approve the Agenda as presented seconded by Commissioner Landon. The motion 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.

<table>
<thead>
<tr>
<th>Minutes:</th>
<th>April 18, 2012 Regular Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Name</td>
<td>Fund No.</td>
</tr>
<tr>
<td>Maintenance</td>
<td>09-075-0010</td>
</tr>
<tr>
<td>Construction</td>
<td>09-075-0030</td>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Fund No.</th>
<th>Period Ending</th>
<th>BFT Transfer Date</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dept of Revenue – B&amp;O Tax</td>
<td>09-075-0010</td>
<td>03/31/12</td>
<td>04/26/12</td>
<td>53,648.77</td>
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</tbody>
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CONSENT AGENDA RESOLUTIONS

<table>
<thead>
<tr>
<th>Item #</th>
<th>Resolution #</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>12-4-24A</td>
<td>Resolution accepting Developer Extension as Complete (Hampton Inn &amp; Suites)</td>
</tr>
</tbody>
</table>

Commissioner Guite’s motion to approve the Consent Agenda as presented seconded by Commissioner Landon. The motion carried unanimously.

4. PUBLIC INPUT
No members of the public attended the meeting.

5. RESOLUTIONS/MOTIONS
   - Resolution 12-4-24A authorizing Release of Easement for Caterair International Corporation, King County Recording #9205191270. Commissioner Johnson’s motion to approve seconded by Commissioner Landon. After discussion, the motion carried unanimously.
5. RESOLUTIONS/MOTIONS

- Motion 12-4-24(1) authorizing the General Manager to apply for a Public Works Trust Fund loan (PWTF) of approximately 5.5 million dollars to replace roughly 22,000 LF of AC water main. Commissioner Landon's motion to approve seconded by Commissioner Guite. After discussion, the motion carried unanimously. (Reference Item 7.1)

- Motion 12-4-24(2) authorizing the General Manager to pay off the remaining loan balances of PWTF Loan #PW-00-691-024 - Project 00-4 Tyee Well and Treatment Plant and PWTF Loan #PW-00-691-025 - Project 00-1 Normandy Park Water Main Replacement as follows:

  PWTF Loan #PW-00-691-024 - Project 00-4 Tyee Well and Treatment Plant: The District will make a supplemental principal payment of $503,000 in addition to the scheduled principal payment of $169,941 in 2012 and pay the remaining balance of the loan in 2013 to retire the debt; and

  PWTF Loan #PW-00-691-025 - Project 00-1 Normandy Park Water Main Replacements: The District will make an additional principal payment of approximately $708,533 in 2014 for a total principal payment of $826,622 to retire the debt in 2014.

  Commissioner Landon's motion to approve seconded by Commissioner Guite. After discussion, the motion carried unanimously.

6. 1ST QUARTER FINANCIALS (BUDGET VS. ACTUAL)

Debbie and Matt reviewed the First Quarter Budget vs. Actual and answered questions of the Board.

Due to rising fuel costs, Commissioner Guite asked management to reiterate to the crews to limit idling of District vehicles when practical.

7. PUBLIC WORKS TRUST FUND UPDATE

7.1 Proposed 4" and 6" A.C. Water Main Replacements – Matt and Jeremy discussed with the Board the areas in the District with small diameter AC mains (approximately 60 miles) and requested a motion to authorize the General Manager to apply for a 2014/2015 PWTF Loan for approximately 5.5 million dollars to replace roughly 22,000 LF of water main. The District's goal is to replace all AC main in the District over a thirty-year period. The deadline for submitting the loan application is May 11, 2012.

Action Taken: See Motion 12-4-24(1).
7.2 Proposed Manhattan View (Normandy Park) 4" and 6" AC Water Main Replacement Project –
The design for this project will begin in late 2012 with construction in 2013. This project
consists of replacing approximately 10,600 LF of main at an estimated cost of 2.8 million
dollars. This water main replacement project will be funded out of rates in lieu of a PWTF
loan.

8. OTHER
Matt Everett
   WASWD Update – Matt met with Blair Burroughs, Executive Director, on Friday, April 20th, to
discuss the direction of WASWD. Matt said Blair’s plans include the following: (1) encourage
former members to rejoin WASWD; (2) work with local jurisdictions to eliminate adversarial
relations; and (3) reevaluate all expenses at WASWD. Matt informed Blair that the District’s
Board is opposed to any county or city imposed utility taxes.

Jeremy DelMar
   Pump Station #5 Demolition – Staff discussed with the Board the removal of the building. The
District has hired an asbestos abatement company to remove the windows and the asbestos
sealant around the windows. A resolution to authorize the District to demolish the building
will go before the Board at the 5/2/12 Regular Board meeting.

There being no further business of the District, President Koester concluded the meeting at 10:09 AM.

BOARD OF COMMISSIONERS

Vince Koester, President

Daniel Johnson, Secretary

Gerald R. Guite, Commissioner

George Landon, Commissioner

Kathleen Quong Vermeire, Commissioner