Highline Water District
Regular Board Meeting Minutes
July 18, 2012

ATTENDEES

COMMISSIONERS
Gerald R. Guite
Daniel Johnson (arrived @ 4:11 pm)
Vince Koester
George Landon
Kathleen Quong-Vermeire

HWD STAFF
Matt Everett, General Manager
Jeremy DeMars, Engineering/Operations Mgr.
Debra Prior, Administrative Manager
Mary Fossos, Project Coordinator, CIPs

VISITORS

HWD ATTORNEY(S)
John Milne, Jindal-Beck

Strikeouts indicate absence

1. CALL TO ORDER
President Koester called the meeting to order at 4:11 p.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>July 2, 2012 Special Meeting</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Fund No.</th>
<th>Scheduled Payment Date</th>
<th>Voucher Numbers</th>
<th>TOTAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>09-075-0010</td>
<td>07/12/12</td>
<td>15488</td>
<td>$2,641.58</td>
</tr>
<tr>
<td>Maintenance</td>
<td>09-075-0010</td>
<td>07/23/12</td>
<td>15489 - 15545</td>
<td>$375,318.91</td>
</tr>
<tr>
<td>Construction</td>
<td>09-075-0030</td>
<td>07/23/12</td>
<td>901402 - 901404</td>
<td>$30,118.73</td>
</tr>
<tr>
<td>Maintenance - Payroll</td>
<td>09-075-0010</td>
<td>07/13/12</td>
<td>302411 - 302412</td>
<td>$1,012.27</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Fund No.</th>
<th>Period Ending</th>
<th>EFT Transfer Date</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Tax</td>
<td>09-075-0010</td>
<td>07/06/12</td>
<td>07/18/12</td>
<td>$21,905.12</td>
</tr>
<tr>
<td>Direct Deposit - Payroll (KC-PAY47)</td>
<td>09-075-0010</td>
<td>07/06/12</td>
<td>07/13/12</td>
<td>$64,128.72</td>
</tr>
<tr>
<td>Dept of Retirement</td>
<td>09-075-0010</td>
<td>07/06/12</td>
<td>08/15/12</td>
<td>$10,251.71</td>
</tr>
<tr>
<td>Dept of Retirement – Deferred Compensation</td>
<td>09-075-0010</td>
<td>07/06/12</td>
<td>07/13/12</td>
<td>$2,768.00</td>
</tr>
<tr>
<td>Health Equity (KC-3EN96)</td>
<td>09-075-0010</td>
<td>07/06/12</td>
<td>07/13/12</td>
<td>$189.00</td>
</tr>
<tr>
<td>HRA-VEBA (KC-BEN60)</td>
<td>09-075-0010</td>
<td>07/06/12</td>
<td>07/13/12</td>
<td>$2,073.50</td>
</tr>
</tbody>
</table>

CONSENT AGENDA RESOLUTIONS

<table>
<thead>
<tr>
<th>Item #</th>
<th>Resolution #</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONE</td>
<td></td>
<td></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
   None

6. STAFF/COMMISSIONERS/ATTORNEY
   Jeremy DelMar
   6.1 Project 07-2 McMicken Heights Well & Treatment Plant Update – Jeremy informed the Board that there is an issue with the coating of the steel piping inside the treatment plant. It was detected last week during a backwashing process that the interior coating was delaminating and failing. The general contractor will be removing the piping and will recoat. The recoated pipe will be inspected by a NACE certified inspector. The recoated pipe is tentatively scheduled to be reinstalled mid-August.

   6.2 Project 11-1 B -North Hill Tank Recoating – The contractor is sandblasting the interior of the tank and is currently cleaning the tank floor with primer.

   Matt Everett
   6.3 2012 Monthly Water Supply vs. Sales – Matt noted that the current unaccounted for water loss for the year (Jan-Jun) was slightly over 11 percent and the water sales are 1% below 2011 at this time.

   6.4 Vehicle Accident (7/10/12) – Matt informed the Board that a District employee was involved in an accident near 12th Pl S & S 206th St. The District’s insurance company was informed of the accident and a police report was filed. Matt will update the Board on the status of the investigation.

   6.5 WASWD Board Meeting & Retreat @ WASWD Office – 7/23/12 – Matt will attend the meeting and all-day retreat.

   6.6 General Managers Meeting @ WD 90 – 7/24/12 – Matt will attend the meeting. Commissioner Guite asked Matt to bring up for discussion, WAC 246-290-490 Cross-Connection Control, regarding the necessity of backflow devices for irrigation systems and the District’s opposition to a 6% utility tax that some cities are imposing in exchange for an assumption vote.

   Debbie Prior
   6.7 2012 2nd Quarter Financial Statements – Debbie will email the 2012 2nd quarter financial report to the Commissioners for their review and comments. The Commissioners and staff will discuss at the 7/24/12 Workshop meeting.
Commissioner Johnson

6.8 Dan asked what the topic of discussion would be for the 7/24/12 Board Workshop meeting. Jeremy stated he will have a presentation on the District's connection charges and will provide a copy of the PowerPoint presentation with the agenda for the meeting.

There being no further business of the District, President Koester concluded the meeting at 4:52 PM.

BOARD OF COMMISSIONERS

Vince Koester, President

Daniel Johnson, Secretary

Gerald R. Guite, Commissioner

George Landon, Commissioner

Kathleen Quong-Vermeire, Commissioner