1. CALL TO ORDER
President Johnson called the meeting to order at 9:00 a.m.

2. APPROVE AGENDA
Motion duly made and seconded to approve the Agenda as presented. The motion carried.

3. CONSENT AGENDA
Motion duly made and seconded to approve the Consent Agenda as presented. The motion carried.

<table>
<thead>
<tr>
<th>Minutes:</th>
<th>October 16, 2013 Regular Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WARRANTS</strong></td>
<td></td>
</tr>
<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>
</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>

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

5. 3RD QUARTER - BUDGET VS. ACTUAL
Debbie and Matt reviewed the Third Quarter Budget vs. Actual and answered questions of the Board.

6. 2014 DRAFT OPERATING BUDGET
Debbie, Matt and Jeremy discussed/commented on the following items of the draft budget:

- Propose a 2.4% rate increase to cover capital improvements and keep up with inflation;
- $2.21 million in construction funding from the Public Works Trust Fund for the Angle Lake Water Main Replacement for 2014 and 2015;
- Staff will request two-year extension from the Department of Health (DOH) to update the Comprehensive Water System Plan due to reduced consumption and population growth compared to the assumptions in the current plan. The DOH is working on changing its requirement for water and sewer districts to submit a 10-year updated comprehensive plan instead of the historic 6-year plan;
- No significant increase in operations and maintenance costs from 2013;
- Potential research grant funding and expense for energy upgrades;
- Proposed capital asset purchases;
- Ongoing and future CIP projects.
7. OTHER
No other items were discussed.

8. EXECUTIVE SESSION – PERSONNEL
RCW 42.30.110(g) - To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public.

President Johnson convened an executive session at 10:16 a.m regarding extension of the General Manager’s employment contract and other personnel issues. In attendance were Commissioners’ Guite, Johnson, Koester, Landon and Matt Everett, General Manager. President Johnson advised that the executive session would be concluded at approximately 10:26 a.m.

At 10:31 a.m., the executive session was concluded and the open public meeting was reconvened.

9. Motion 13-10-22(1) duly made and seconded to amend the wages of two District positions as outlined in the draft 2014 operating budget, because they were below the market average for like positions. After discussion, the motion carried.

There being no further business of the District, President Johnson concluded the meeting at 10:33 a.m.

BOARD OF COMMISSIONERS

Daniel Johnson, President

Kathleen Quong-Vermeire, Secretary

Gerald R. Guite, Commissioner

Vince Koester, Commissioner

George Landon, Commissioner