CALL TO ORDER
Secretary Landon called the meeting to order at 9:00 a.m.

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

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

ATTENDEES

COMMISSIONERS
Gerald R. Guite
Daniel Johnson
Vince Koester
George Landon
Kathleen Quong-Vermeire

HWD STAFF
Matt Everett, General Manager
Jeremy DelMar, Engr./Operations Mgr.
Debra Prior, Administrative Manager
Mary Fossos, Project Coordinator, CIPS

HWD ATTORNEY(S)
John Milne, Inslee Best

VISITORS

Strikeouts indicate absence

1. CALL TO ORDER
   Secretary Landon 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.

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.

Minutes: June 4, 2014 Regular Meeting

WARRANTS

<table>
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<tr>
<th>Fund Name</th>
<th>Fund No.</th>
<th>Warrant Date</th>
<th>Vouchers</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>Maintenance</td>
<td>09-075-0010</td>
<td>06/19/14</td>
<td>17696 - 17750</td>
<td>$1,639,393.31</td>
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<td>Construction</td>
<td>09-075-0030</td>
<td>06/19/14</td>
<td>901611 - 901612</td>
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<td>Maintenance - Payroll</td>
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<td>06/13/14</td>
<td>302495 - 302495</td>
<td>$610.11</td>
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ELECTRONIC TRANSFER FUNDS

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<tr>
<th>Fund Name</th>
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<th>Period Ending</th>
<th>EFT Transfer Date</th>
<th>AMOUNT</th>
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<tr>
<td>Payroll Tax</td>
<td>09-075-0010</td>
<td>05/23/14</td>
<td>06/04/14</td>
<td>$24,683.29</td>
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<td>Direct Deposit – Payroll</td>
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<td>05/30/14</td>
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<td>Dept of Retirement</td>
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<td>05/23/14</td>
<td>06/13/14</td>
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CONSENT AGENDA RESOLUTIONS

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

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

5. RESOLUTIONS/MOTIONS
   Resolution 14-6-18A authorizing consultant services contract #14-50-06 with Carollo Engineers, Inc. for Project 14-1 2015 Comprehensive Water System Plan Update. Motion duly made and seconded. After discussion, the motion carried.

Resolution 14-6-18B authorizing the surplus of office/field equipment and office furniture. Motion duly made and seconded. After discussion, the motion carried.
5. RESOLUTIONS/MOTIONS
Resolution 14-6-18C commending employee (Debbie Prior) for twenty years of service. Motion duly made and seconded. After discussion, the motion carried.

6. STAFF/COMMISSIONERS/ATTORNEY
Jeremy DelMar
6.1 Tyee Well Alternatives Analysis - Jeremy and Matt are finalizing the contract negotiations with Robinson Noble to prepare an analysis of options for improving production of the Tyee well.

Matt Everett
6.2 Seattle Operating Board Meeting 6/5/14 – Matt attended the meeting. The Seattle Operating Board discussed reducing Seattle’s 2015 Wholesale Water Rates by 8% and slightly increasing surcharges on the Southwest Subregion. The formal rate report will be presented at the 7/10/14 Seattle Operating Board meeting.

6.3 Decision III Court of Appeals - City of Wenatchee v. Chelan County P.U.D. No. 1 - On 5/20/14, Division III of the state court of appeals decided that a code city has the legal authority to impose its utility tax on the revenues of a public utility district’s provision of water service to customers within the city limits, except to the extent that the district’s revenues “were derived from governmental activities.” The Chelan County PUD Commissioners decided at their 6/16/2014 Board meeting not to appeal the decision.

There being no further business of the District, Secretary Landon concluded the meeting at 9:35 a.m.

BOARD OF COMMISSIONERS

Kathleen Quong-Vermeire, President
George Landon, Secretary
Gerald R. Guite, Commissioner
Daniel Johnson, Commissioner
Vince Koester, Commissioner