ATTENDEES

COMMISSIONERS
Todd Fultz
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

CONSULTANTS

(Strikeouts indicate absence)

1. CALL TO ORDER
President Koester 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 unanimously.

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

Minutes: 10/25/16 Board Workshop

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Fund No.</th>
<th>Warrant Date</th>
<th>Vouchers</th>
<th>AMOUNT</th>
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<tr>
<td>Maintenance</td>
<td>09-075-0010</td>
<td>11/03/16</td>
<td>20628 - 20658</td>
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<td>Construction</td>
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<td>901940 - 901940</td>
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<td>Construction</td>
<td>09-075-3030</td>
<td>11/03/16</td>
<td>901941 - 901942</td>
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<tr>
<th>Description</th>
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<th>Period Ending</th>
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<tr>
<td>Payroll Tax</td>
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<td>10/21/16</td>
<td>11/02/16</td>
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<td>Direct Deposit – Payroll</td>
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<td>Dept of Retirement</td>
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<td>11/15/16</td>
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<td>Dept of Retirement – Deferred Compensation</td>
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<td>Health Equity (KC-BEN96)</td>
<td>09-075-0010</td>
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<td>Health Equity (KC-BEN105)</td>
<td>09-075-0010</td>
<td>10/21/16</td>
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<td>HRA Veba (KC-BEN96)</td>
<td>09-075-0010</td>
<td>10/21/16</td>
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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. RESOLUTIONS
Resolution 16-11-2A terminating developer extension with developer Rl SeaTac Land Acquisition BGC, LLC, and authorizing transfer of remaining deposit to Rl SeaTac Property, LP. Motion duly made and seconded. After discussion, the motion carried unanimously.

Resolution 16-11-2B authorizing developer extension agreement with Rl SeaTac Property, LP (The Residence Inn at SeaTac). Motion duly made and seconded. After discussion, the motion carried unanimously.

Resolution 16-11-2C authorizing agreement with Aronson Security Group to replace existing ReadyKey Pro Security System. Motion duly made and seconded. After discussion, the motion carried unanimously.
5. RESOLUTIONS
   Resolution **16-11-2D** authorizing an amendment to Highline Water District Code (HWDC) Section 6.04.020, Table 5 – Hourly Labor & Equipment Charges. Motion duly made and seconded. After discussion, the motion carried unanimously.

   Resolution **16-11-2E** commending employee (Scott Davis) for 30 years of service. Motion duly made and seconded. After discussion, the motion carried unanimously.

6. COMMISSIONERS/STAFF/ATTORNEY
   **Debbie Prior**
   6.1 **State Audit** – Commissioner Fultz will meet with the auditor for the risk assessment after today’s Board meeting.

   **Matt Everett**
   6.2 **Property Acquisition (Project 16-2 Pump Station No. 8)** – The owner of the property has signed the Purchase/Sale Agreement for $200,000. The District paid $5,000 earnest money. The anticipated closing date is 11/15/16. The bank/lender has agreed verbally to the sale of the property and the District is waiting for written confirmation. Jeremy and RH2 Engineering Consultants will be at the site today to discuss preliminary engineering design work.

   6.3 **King County Proposed Right-of-Way Franchise Fees/Rent (Ordinance 2016-0521)** – The King County Council plans on increasing its application franchise fee from $2,500 to $10,000 and imposing an annual rental fee on all utility agencies with infrastructure located in the County’s right-of-way. Other utilities have sent letters and testified in opposition to this proposed ordinance. The full council will take a vote on this ordinance on 11/7/16.

   6.4 **2017 Water Rate Adjustment** – Matt informed the Board that rates will be increased by 2.6% in 2017 as recommended in the 1/26/16 rate study prepared by Financial Consulting Services Group.

There being no further business of the District, President Koester concluded the meeting at 9:26 a.m.

**BOARD OF COMMISSIONERS**

[Vince Koester, President]

[Todd Fultz, Secretary]

[Daniel Johnson, Commissioner]

[George Landon, Commissioner]

[Kathleen Quong-Vermeire, Commissioner]