



**Highline Water District
Special Board Meeting Minutes
November 10, 2015**

ATTENDEES		
COMMISSIONERS Todd Fultz Daniel Johnson (arrived @ 10:55 am) Vince Koester George Landon Kathleen Quong-Vermeire	HWD STAFF Matt Everett, General Manager Jeremy DelMar, Engineering/Ops., Mngr. Debra Prior, Administrative Manager Mary Fossos, Project Coordinator, CIPs	HWD ATTORNEY(S) John Milne, Inslee Best VISITORS Midway Sewer District • Board of Commissioners • Ken Kase, General Manager • Mark Montieth • Cordelia Ford • Brian Snure, Legal Counsel

Strikeouts indicate absence

1. CALL TO ORDER

Commissioner Koester called the Highline Board meeting to order at 10:00 a.m. The Highline Board of Commissioners met in joint session with the Board of Commissioners of Midway Sewer District for the purpose of discussing a tax proposed by the City of Des Moines on the Districts' revenues. Highline staff noted that notice of the special Board meeting had been posted as required by law. All Midway Sewer District commissioners were present, and Midway staff, including Midway's General Manager, Ken Kase, were present.

2. APPROVE AGENDA

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

3. EXECUTIVE SESSION TO DISCUSS POTENTIAL LITIGATION UNDER RCW 42.30.110(1)(i) - CITY OF DES MOINES POTENTIAL UTILITY TAX

Everett requested an executive session due to potential litigation due to the City of Des Moines consideration of a tax on the Districts' revenues. He advised he and other District representatives had met with City representatives on November 4, 2015, and the City representatives had informed him the City would not consider a franchise agreement to address a franchise payment, but rather intended to enact an excise tax on the Districts of 16% and would likely increase that tax in the future. The City Council will consider enacting the tax at the Council's November 12, 2015, meeting.

Following discussion, on motion made, seconded and carried unanimously, Koester convened an executive session to discuss potential litigation relating to the proposed tax. Before the executive session commenced at 10:10 a.m., Koester advised the executive session would conclude at approximately 10:40 a.m. The Highline Commissioners and staff, including Milne as Highline counsel, and the Midway Commissioners and staff, including Brian Snure as Midway counsel, then attended the executive session. At 10:40 a.m., the executive session was extended to 10:55, which was publicly announced. At 10:55 a.m., the executive session was extended to 11:05 a.m., which was publicly announced. Commissioner Johnson attended the executive session at 10:55 a.m. At 11:05 a.m., the executive session was extended to 11:15 a.m., which was publicly announced. At 11:15 a.m., the executive session concluded and open public meeting reconvened.



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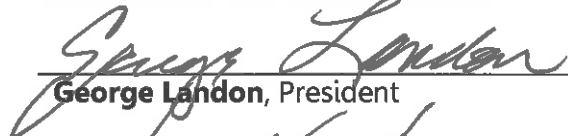
4. POSSIBLE ACTION RELATING TO EXECUTIVE SESSION

Following discussion, Commissioner Quong-Vermeire made the motion to authorize and direct the General Manager to attend the City Council's November 12, 2015 meeting and advise the Council the Highline Board strongly opposed the excise tax, to provide the City with a written letter from the District to that effect, and to advise the City if the City enacted the tax on the District, Highline would consider all of its options to oppose the tax, including litigation. Commissioner Koester seconded the motion, which carried unanimously.

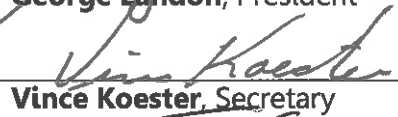
5. ADJOURNMENT

Upon motion made, seconded and carried unanimously, the meeting adjourned at 11:25 a.m.


BOARD OF COMMISSIONERS



George Landon, President



Vince Koester, Secretary



Todd Fultz, Commissioner



Daniel Johnson, Commissioner



Kathleen Quong-Vermeire, Commissioner