

MINUTES
KING COUNTY WATER DISTRICT 125

Thursday, March 28, 2002

Present

Commissioners	President John Thompson, Secretary Mike Hihn, Gary Johnson
Staff	Russ Austin, Ann Wilson
Consultants	Steve Moen, General Counsel; Bob Stanton and Susan Boyd, Engineers;
Guests	Art Rosengren, Ratepayer; Guillemette Regan, Seattle Public Utilities; John Milne, Attorney, Inslee Best.

The meeting was called to order at 4:00 PM

Special Presentations

Rate Analysis: Revenue and Expense Forecast

Susan Boyd presented 2002 revenue and expense forecast, as revised since January. Water demand declined by roughly 20% in 2001, instead of remaining constant as originally assumed. Current assumptions are 2% demand growth this year, and 10% "unaccounted" water, with some portion of the 2001 rate increase to affect annual revenues. Commissioner Hihn still believes the revenues are excessive. Ms. Boyd agreed to provide him with backup spreadsheets. The District CPA is now doing year-end adjustment. No action was taken.

60-Year Contract, Wholesale Water Purchases, Seattle Public Utilities

Ms. Regan presented the final contract proposal and answered questions. Board Counsel advised signing the agreement. The Board approved Resolution 02-03-28-339, authorizing President Thompson to sign on behalf of the District.

Ms. Regan encouraged attending of monthly meetings for the newly-established operating board of the Seattle Water Supply System, 2nd Tuesdays, 2:30-4:30 PM at Coal Creek Utilities.

Consent Agenda

Minutes from the regular meeting on March 14th were adopted as presented.

The Board reviewed and approved expense vouchers numbered 17155- 17181, for total payments of \$36,865.65.

Insurance

Commissioners voted to retain Pollock Insurance. A few questions remain, regarding earthquake coverage, but Ann Wilson confirmed that any needed changes may be added as a later rider. Bryn Mawr-Lakeridge purchases coverage in the reservoir we share with them, and will bill us 25% of the premiums.

Security Alarms

The Board reviewed quotes for Security Alarms, and voted to accept the proposal from Chubb Security Services -- in the amount of \$1,584.00, including a 2-year warranty.

Consortium: Districts 20, 45, 85 and 125

Russ Austin reported that he and John Thompson had attended a meeting to discuss a new 30-year contract. A final version is anticipated for the next regular Board meeting.

Reports

John Thompson reported that Seattle Public utilities had cut its budget by 12%. The District participates on a group rating board through the state association, and will receive a yet-unknown share of a total \$30,000 rebate in Dept. of Labor and Industry taxes.

Thompson recommended that Russ Austin and Bob Stanton work on submitting engineering standards to the Seattle Purveyors Committee, as requested. The Board so approved.


Negotiators for both labor and management had approved a tentative contract. Employees would likely consider the contract on April 9th.

The Board agreed to meet on April 3rd, early AM at the maintenance shop, to review and consider the agreement -- with details to be finalized by President Thompson and the Board's chief negotiator.

The meeting was adjourned at 6:05 PM

Respectfully submitted by Michael J. Hihn, Secretary

Minutes approved on this 11th day of April, 2002



4-11-02
