

**MEETING MINUTES
KING COUNTY WATER DISTRICT No. 125**

Wednesday, July 13, 2016

Commissioner Thornton called the meeting of the King County Water District No. 125 Board of Commissioners to order at 10:00 a.m. at the District Office located at 3460 S 148th ST STE 110, Tukwila, Washington.

Present:

Commissioners: Jerry Thornton, President and Jim Rick, Secretary, John Thompson, Commissioner

Staff: Shane Young, General Manager, Dylan Bailey Superintendent

Consultants: Dave Hutley, PACE Engineers

Agenda: The agenda was unanimously approved as written.

Minutes: Commissioner Rick made a motion to approve the minutes of the June 22, 2016 board meeting as written. Commissioner Thompson seconded the motion which carried unanimously.

Vouchers: Maintenance vouchers numbered 27273-27300 in the amount of \$70,102.26, EFT vouchers number 2543-2549 and 27301-27305 in the amount of \$75,123.25 and payroll vouchers 2540-2542 in the amount of \$1,582.34 were presented for review. Commissioner Rick made a motion to approve the vouchers; the motion was seconded by Commissioner Thornton and was carried unanimously.

VEBA Presentation: Susie Berard from HRA VEBA presented the Board of Commissioners with options for joining the health reimbursement arrangement offered to District staff. Young noted that he had contacted several water and sewer districts in the area and that a majority of them offer VEBA accounts and contributions to their commissioners as well as employees. After the presentation the Board thanked Susie Berard for her time. The Board tabled the discussion until the July 27, 2016 board meeting. The Board directed Young to compile a list of District's that offer VEBA to their commissioners and the dollar amount contributed by each district.

Consultant Report: Hutley presented the Board with a status report on the progress of the District's water system plan update. Hutley noted that they were currently working on updating the district's capital improvement plan for review with staff.

Hutley reported on the bid opening for contract 16-1. Hutley noted that two of the small works contractors contacted supplied bids. The lowest bid was from James Guess construction with a bid of \$207,172.80. Hutley recommend that the Board accept the bid and award the contract to James Guess. Commissioner Rick made a motion to award contract 16-1 to James Guess Construction; Commissioner Thompson seconded the motion which carried unanimously. Hutley noted that he would prepare the contracts for signature. The board directed Young to sign the contracts on behalf of the Board of Commissioners.

Superintendent Report: Bailey informed the Board that a new compressor for the field crew had been purchased. The new compressor was budgeted for purchase in 2016. The existing compressor was manufactured in 1988 and was no longer working properly. Bailey briefly reported on the Tukwila Village Developer Extension. He noted that dirt work had begun on phase II. Young added that the applications from phase II have not been received by the District and no water work will begin until the applications are received and accepted by the Board.

General Manager Report: Young informed the Board that he had drafted several new district policies for review and approval. These policies have been in practice at the District and needed to be either updated or formally put in writing. Young added that all District policies will be compiled into a District Procedures Manual and an Employee Policies Manual that will be approved by the Board of Commissioner by resolution at a later date. Young noted that any policies that would change the working conditions of the district's union employees would have to be negotiated and approved by the employees bargaining unit and implemented within the union contract.

Young presented the Board with a petty cash policy for review and approval. Commissioner Rick made a motion to approve the policy; Commissioner Thompson seconded the motion which carried unanimously.

Young presented the Board with an internal financial controls policy for review and approval. Commissioner Rick made a motion to approve the policy; Commissioner Thompson seconded the motion which carried unanimously.

Young presented the Board with a use of district property and vehicles policy for review and approval. Commissioner Rick made a motion to approve the policy; Commissioner Thompson seconded the motion which carried unanimously.

Young presented the Board with water main break response protocols policy for review and approval. Commissioner Rick made a motion to approve the policy; Commissioner Thompson seconded the motion which carried unanimously.

Young presented the Board with an educational training policy for review and approval. Commissioner Rick made a motion to approve the policy; Commissioner Thompson seconded the motion which carried unanimously.

Young presented the Board with a military leave policy for review and approval. Commissioner Rick made a motion to approve the policy; Commissioner Thompson seconded the motion which carried unanimously.

Young reported that he is currently working on the District's 6 month budget review presentation and that he would have it ready for review at the July 27, 2016 board meeting.

Young informed the Board that he would be attending the Evergreen Rural Water of Washington Conferences from August 30th through September 1, 2016.

Commissioner Report: Commissioner Thornton briefly reported on the WASWD Section IV survey that was circulated by E-mail. The Board directed Young to forward their responses to WASWD on the board's behalf.

Adjournment: Commissioner Rick made a motion to adjourn the meeting; the motion was seconded by Commissioner Thompson and carried unanimously. The meeting was adjourned at 10:45 a.m.



Commissioner



Commissioner



Commissioner

KING COUNTY WATER DISTRICT 125
PETTY CASH POLICY

I. PURPOSE AND SCOPE


The Petty Cash Fund is established to reimburse employees and commissioners for minor expenses that are either incurred or purchased for official District business. Petty cash is a sum of money set aside for minor disbursements for which the issuance of a formal voucher would be impractical. Employees and Commissioners may request reimbursement for items up to \$75.00 from the Petty Cash Fund for items purchased or expenses incurred for official business of King County Water District 125. Incidental expenses allowed through petty cash are: Registered mail, postage, emergency supplies, parking fees, and certain minor, on time-purchases to be handled on a cash basis.

II. USE OF THE PETTY CASH FUND

- A. An employee or commissioner is eligible to receive reimbursement for an official District purchase or expense (\$75.00 or less) after furnishing an original, itemized, dated receipt to the Comptroller who will fill out and sign a petty cash slip including the purchase item and purchase amount.
 - 1.) In special circumstances when a receipt is not available, reimbursement from the petty cash fund for expenses incurred may be approved by the General Manager.
- B. The Comptroller will verify the information on the receipt against the requested amount of cash before fulfilling the reimbursement request. The recipient will sign the petty cash slip to confirm receipt. After releasing the cash, the Comptroller will sign the petty cash slip and attach the receipt to the back of the slip.
- C. On at least a quarterly basis, the Comptroller will reconcile the amount to verify the remaining cash plus attached receipts equal the authorized petty cash amount. The petty cash slips and cash drawer will then be reviewed by the General Manager for final reconciliation and approval.
- D. After the General Manager's approval of the petty cash disbursements, the petty cash slips will be submitted for reimbursement of the petty cash fund. A warrant will be issued for the amount of cash needed to replenish the fund to its authorized amount of \$200.00. The check will be made payable to King County Water District 125. The warrant will be submitted for review by the Board of Commissioners during the regular warrant review process.
- E. Immediately after cashing the check, the Comptroller will replenish the petty cash fund, verify the cash equals the authorized amount, and receive secondary verification by the General Manager.

- F. The General Manager or designee will conduct a periodic petty cash audit to ensure proper management of the fund.
- G. The Comptroller shall ensure the petty cash fund is kept in a safe place. i.e., a lockable box in a secure area with limited employee access.


Commissioner


Commissioner


Commissioner

Approved July 13, 2016

King County Water District 125
Internal Financial Controls

I. Purpose and Scope

The purpose of this policy is to communicate to staff the internal control objectives of the Board of Commissioners and Management Level Staff.

The District's staff has the responsibility to establish and maintain an adequate system of internal control and to furnish to the Board of Commissioners, governmental agencies, and state auditor's office reliable financial information on a timely basis. An adequate system of internal control is necessary for the administration and discharge of these responsibilities.

Controls ensure that assets are not exposed to unauthorized access and use, transactions are properly recorded in the financial records, and the resultant financial information is reliable. The District resources are dependent upon the system of internal controls. Auditors are required annually to report upon the adequacy of the District's system for control over financial reporting and compliance. The safeguarding of District assets and the reliability which the District and others can place upon its financial records is dependent upon the effectiveness of the internal control process.

The Board of Commissioners expect the District staff to effect an internal control environment with policies and procedures necessary to provide reasonable assurance that practices cause effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

The system of internal control promotes efficiency, minimizes risk of asset loss, helps ensure the reliability of financial information, and compliance with applicable laws, rules and regulations.

II. Definitions

The control environment is the foundation upon which all components of internal controls are based. It sets the tone for District operations.

Internal control is about people, operations, communications, and the work environment. It is not about policies and forms though it takes shape through the implementation of relevant policies, procedures and practices.

Internal control can provide reasonable assurance, but no system of control can be absolute, to the Board of Commissioners and other users of financial information.

III. Policy

A. Responsibility

- 1) The Board of Commissioners are responsible for setting the institutional expectations for internal control, ensuring management is aware of those expectations, requiring the upward communication channels are open through all levels of management, and evaluating management's effectiveness toward practicing an effective control environment and implementing effective control policies and procedures.
- 2) Individuals with delegated approval authority, e.g. General Manager and Superintendent, are responsible for establishing, maintaining and supporting a system of internal controls within their areas of responsibility and for creating the control environment that encourages compliance with District policies and procedures.
 - a. Adequate supervision is necessary to ensure that internal controls are operating as intended, and to ensure the reliability of account and operational controls by pointing out errors, omissions, exceptions and inconsistencies in procedures.
 - b. Staff in leadership roles is responsible for the application of this policy and the design, development, implementation and maintenance of systems of internal controls focusing on the effectiveness of operations and the safeguarding of assets within their respective areas of responsibility.
 - c. All levels of management and supervision are responsible for strengthening internal controls when weaknesses are detected. Management staff should periodically review departmental procedures to ensure that the general principles of internal control are being followed.
- 3) The General Manager is the primary responsible for internal control over the financial reporting and compliance with applicable laws, rules and regulations. The General Manager is the District's source for information and assistance to staff on this topic and will make resources available to any business function at the District to assist in administering this policy.
- 4) The General Manager and Board of Commissioners are responsible for internal controls over the matters of employee recruitment, hiring, separation, promotion, job classification, employee rights and salary administration. The General Manager is the District's source for information and assistance to staff and commissioners on this topic and will make resources available to any business function at the District to assist in administering this policy.
- 5) The General Manager is responsible for reviewing the adequacy of departmental internal controls and for reporting any weaknesses to the Board of Commissioners.

- 6) All levels of internal control are subject to examination by external auditors who are required to report on the adequacy of internal controls over finance and compliance.
- 7) Management staff is responsible for prompt corrective action on all internal control findings and recommendations made by external auditors. The audit process is completed only after management receives the audit results and takes action to correct internal control weaknesses, improve systems, or demonstrate that management action is not warranted.
- 8) Management staff has the responsibility to ensure that those who report to them have adequate knowledge, skills and abilities to function within, and contribute to, an effective internal control environment. This includes providing access to appropriate training on topics relevant to their job responsibilities.

B. The District will establish and maintain a system of internal controls that satisfies the District's objectives in the following categories:

- 1) Safeguarding of district assets
- 2) Reliability and integrity of financial information
- 3) Compliance with district policies, plans, procedures, laws and regulations
- 4) Economical and efficient use of district resources
- 5) Meeting established objectives and goals for district operations and programs

C. General internal control principles for district staff are:

- 1) Separation of duties.
- 2) Duties are separated so that one person's work routinely serves as a check on another's work.
- 3) No one person has complete control over more than one key function of activity other than the General Manager.

D. Authorization and approval

- 1) Proposed transactions are authorized by the Board of Commissioners and supplied with proper supporting documentation.

- 2) Transactions are approved by the General Manager who has delegated approval authority from the Board of Commissioners.

E. Custodial and security arrangements

Responsibility for physical security of District assets is separated from the recordkeeping/accounting for those assets.

F. Unauthorized access to District assets and accounting records is prevented.

G. Timely and accurate review and reconciliation

- 1) District accounting records and documents are examined by employees who have sufficient understanding of the District accounting and financial system to verify that recorded transactions actually took place and were made in accordance with District policies and procedures.
- 2) District account records and documentation are compared with King County system reports and financial statements to verify their reasonableness, accuracy and completeness.
- 3) The general internal control principles should be applied to all district operations, especially accounting records and reports, payroll, purchasing, receiving and disbursement approvals, equipment and supplies inventory, cash receipts, petty cash, billing and accounts receivable.
- 4) All district systems, processes, operations, functions and activities are subject to these evaluations. The overall results of these evaluations provide information regarding the District's overall system control.


H. Information and communication – information must be timely and communicated in a manner that enables people to carry out their responsibilities.

- 1) All personnel must receive a clear message from District administration that control responsibilities are to be taken seriously. Failure to comply with established practices will subject individuals to the terms of disciplinary action as described in the union contract.
- 2) Employees must understand their own roles in the internal control system, as well as how individual activities relate to the work of others. To this end, whenever a new budgetary unit, financial activity, etc is set up, the controller will provide notification to the appropriate parties of the responsibilities incumbent on them for good business

practices and sound financial management, including reference to the principals within this policy.

- 3) Employees must have a means of communicating significant information to District management staff.
 - 4) The District must communicate effectively with external parties, such as customers, contractors, supplies, regulators and auditors.
- I. Internal control is meant to keep the District focused on achieving its mission while avoiding surprises. There is a balance between effective controls and mission accomplishment. Costs associated with internal controls should not exceed their benefit, nor should controls be allowed to stifle mission effectiveness and timely action. All levels of management must assess the costs benefits and risks to develop and implement alternative controls to develop a positive control environment and compensate for the risks of non-compliance, loss of assets, or unreliable reporting while accomplishing their District mission.


Commissioner


Commissioner


Commissioner

Approved July 13, 2016

KING COUNTY WATER DISTRICT 125
EMPLOYEE USE OF DISTRICT PROPERTY AND VEHICLES POLICY

I. PURPOSE AND SCOPE

The purpose of this policy is to communicate to staff the rules and procedures for the use of District property, equipment, tools, vehicles and services.

II. USE OF DISTRICT PROPERTY

All District property, equipment, tools, vehicles and services shall be used exclusively for District purposes. Employees shall not use the premises, equipment, tools, vehicles or services for personal purposes at any time.

III. USE OF DISTRICT VEHICLES

District vehicles are provided for District business when available. Employees should not use their own personal vehicles in the course and scope of their employment, other than their normal commute to and from the workplace, unless approved or directed in advance by the General Manager. Employees operating a District vehicle or their own vehicle for District business must at all times hold a valid Washington State Driver's License.

Standby personnel who are on call and respond to after-hours call outs must report directly to the District offices for each call out and exchange their personal vehicle for a District vehicle before traveling to the call out location unless directed otherwise by the General Manager.

Given the nature of the General Manager and Superintendent's job duties and responsibilities, the General Manager and Superintendent shall be entitled to use a District vehicle for District business, and shall be allowed to take the District vehicle home for the purpose of responding to District calls and for normal commuting purposes to and from work.


Commissioner


Commissioner


Commissioner

KING COUNTY WATER DISTRICT 125
WATER MAIN BREAK RESPONSE PROTOCOLS AND PROCEDURES

I. PURPOSE AND SCOPE

The Department of Health and Washington State Water Providers have recognized a need to classify water main breaks in terms of public health significance. This policy adopts the use of a four (4) category system to describe and standardize communication and response efforts for water main breaks.

II. MAIN BREAK CATEGORIES

Type I Break	Type II Break	Type III Break	Type IV Break
Positive pressure maintained during break	Controlled pipe repair with limited depressurization after shutdown	Loss of pressure at break site or depressurization elsewhere in the system	Catastrophic main break / water loss event resulting in complete loss of water service
Pressure maintained in pipe during repair	Pressure maintained at break site until pipe is exposed and hole dewatered, shutdown limited to immediate valved off area, no loss of pressure elsewhere in system	Loss of pressure at break site while pipe is still buried or submerged and / or pressure loss elsewhere in the system	Water loss is extensive compared to system capacity, resulting in no pressure / no water. Storage loss leaves limited flushing capacity
Unlikely contamination intrusion	Limited possibility of contamination intrusion	Possible / actual contamination intrusion	Possible / actual contamination intrusion

III. WATER MAIN BREAK RESPONSE PROCEDURES

A. Listed below are water main break repair and response protocols for each of the four break categories.

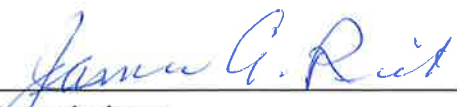
Type I Main Break Procedures
Assess environmental impacts / property damage and safety conditions – respond accordingly
Call Washington 811
Excavate to below break
Maintain pit water level below break
Disinfect repair parts, swab or spray repair site w/ 1% chlorine solution
Make repair with pipe still pressurized
Restore residential disinfectant level at the break to background levels by flushing
No Boil Water Advisory (BWA)
No bacteriological samples


Type II Main Break Procedures
Assess environmental impacts / property damage and safety conditions – respond accordingly
Call Washington 811
Excavate to below break
Maintain pit water level below break
Isolate / Shut off customer services in affected area
Provide customer notification – door hanger, personal contact, phone calls
Controlled shutdown with establish procedures (SOPs)
Disinfect repair parts, swab or spray repair site w/ 1% chlorine solution (If pipe replaced, disinfect both ends)
Make Repair
Conduct low velocity flush to displace water in affected piping – discharge to waste
Restore residential disinfectant level at the break to background levels by flushing
Instruct customers to flush premise plumbing upon return to service. Verify service restored to all customers.
No Boil Water Advisory (BWA) for impacted customers or water system
Collect Bacteriological samples (HPC) to validate repair procedures – Service may be restores prior to obtaining samples.

Type III Main Break Procedures
Assess environmental impacts / property damage and safety conditions – respond accordingly
Call Washington 811
Provide generic water main break notification and customer response steps on Utility website ASAP
Evaluate possible contamination including consideration of CCC Program
Call DOH and local health jurisdiction – decide appropriate public notification message / methods
Issue BWA – Update Utility Website. Loss of Water pressure may impact firefighting abilities and may have sanitation related impacts that should be considered.
Isolate / Shut off customer services in affected area (if practical)
Disinfect repair parts, swab / spray repair site w/ 1% chlorine solution -Refer AWWA Std C651 Section 4.11
Make Repair
Post repair disinfection may be needed if an uncontrolled break has allowed contamination to enter the system. Refer to AWWA Stf C651 Sections 4.11.3.3
Conduct scour flush (3 ft/sec) to remove any break-related material
Conduct low velocity flush throughout widespread area subject to low pressures to displace water and to restore background chlorine residual
Restore residential disinfectant level at the break to background levels by flushing
Check residual disinfectant level throughout the distribution system
Instruct customers to flush premise plumbing upon return to service. Verify service restored to all customers.
Collect bacteriological samples to verify the effectiveness of the response and to provide basis for lifting targeted advisories. (More samples may be warranted based on water system size or size of impacted area)
Rescind BWA/ Boil water Order based on water quality monitoring results.

Type IV Main Break Procedures
Assess environmental impacts / property damage and safety conditions – respond accordingly
Call Washington 811
Provide generic water main break notification and customer response steps on Utility website ASAP
Evaluate possible contamination including consideration of CCC Program
Call DOH and local health jurisdiction – decide appropriate public notification message / methods
Reference Hazard Mitigation Plan and Interlocal Agreements. Contact local jurisdictions for help if necessary
Contact affected fire departments. Significant repletion of storage reserves could affect fire flow capability.
Prepare conservation message for customers to be included in BWA.
Issue BWA – Update Utility Website. Loss of Water pressure may impact firefighting abilities and may have sanitation related impacts that should be considered.
Isolate / Shut off customer services in affected area (if practical)
Disinfect repair parts, swab / spray repair site w/ 1% chlorine solution -Refer AWWA Std C651 Section 4.11
Make Repair
Post repair disinfection may be needed if an uncontrolled break has allowed contamination to enter the system. Refer to AWWA Stf C651 Sections 4.11.3.3
Conduct scour flush (3 ft/sec) to remove any break-related material
Conduct low velocity flush throughout widespread area subject to low pressures to displace water and to restore background chlorine residual
Restore residential disinfectant level at the break to background levels by flushing
Check residual disinfectant level throughout the distribution system
Instruct customers to flush premise plumbing upon return to service. Verify service restored to all customers.
Collect bacteriological samples to verify the effectiveness of the response and to provide basis for lifting targeted advisories. (More samples may be warranted based on water system size or size of impacted area)
Rescind BWA/ Boil water Order based on water quality monitoring results.


 Commissioner


 Commissioner


 Commissioner

Approved July 13, 2016

KING COUNTY WATER DISTRICT 125
CERTIFICATION, EDUCATION AND TRAINING POLICY

I. PURPOSE AND SCOPE

It is the District's Policy to encourage continued education and training for employees and commissioners to enhance job performance and assist in potential career advancement within the District, as well as maintain compliance with state regulations related to training and certification.

II. CERTIFICATION

- A. The District's Certification, Education and Training policy is consistent with WAC 246-292.
- B. The District will pay for the employee's annual certification renewal fee.
- C. The District will pay for the initial examination review course.
- D. The District will reimburse the employee for examination fees upon receipt of proof of a passing grade.

III. CONFERENCES, SEMINARS AND WORKSHOPS FOR EMPLOYEES


- A. The District, upon approval by the General Manager will pay for conference, seminar and workshop registration fees.
- B. The District will pay for or reimburse the employee for reasonable hotel charges, at the Manager's discretion with prior approval.
- C. In accordance with section 7.08 of the Union Contract, the District will reimburse employees for meal expenses. The District will not reimburse employees for guest and/or spouse expenses. A detailed itemized receipt must be provided to the District. Alcohol is not a reimbursable expense.
- D. Employees will be reimbursed for mileage according to the current mileage rate approved by the IRS.
 - a. Milage includes the round trip miles driven from the District or employee's home, to the conference, seminar or workshop. Whichever is shorter.
 - b. Employees will also be reimbursed for any parking expenses, tolls or ferry expenses incurred while conducting the District's business.

IV. CONFERENCES, SEMINARS AND WORKSHOPS FOR COMMISSIONERS

- A. The District, upon approval by the Board of Commissioners will pay for conference, seminar and workshop registration fees.
- B. The District will pay for or reimburse the commissioner for reasonable hotel charges, at the Board of Commissioner's discretion with prior approval.
- C. The District will reimburse commissioners for meal expenses that have been deemed reasonable for one person. The District will not reimburse commissioners for guest and/or spouse expenses. A detailed itemized receipt must be provided to the District. Alcohol is not a reimbursable expense.
- D. Commissioners will be reimbursed for mileage according to the current mileage rate approved by the IRS.
 - a. Milage includes the round trip miles driven from the District or Commissioners' home, to the conference, seminar or workshop.
 - b. Commissioners will also be reimbursed for any parking expenses, tolls or ferry expenses incurred while conducting the District's business.



Commissioner



Commissioner



Commissioner

Approved July 13, 2016

KING COUNTY WATER DISTRICT 125
MILITARY LEAVE POLICY

I. PURPOSE AND SCOPE


The District provides military leaves of absence to employees who serve in the uniformed services as required by the Uniform Services and Reemployment Rights act of 1994 and applicable state (RCW 38.40.06) and federal laws.

II. USE MILITARY LEAVE POLICY

Employees will be granted up to twenty one (21) days per year of leave with pay, or any greater leave required by law, to allow the performance of services with the Armed Forces. If that leave exceeds 21 days, the employee shall take accrued compensatory time, available vacation time, and then leave without pay. Requests for military leave must be given in advance to the General Manager and be accompanied by copies of military orders and any other documents supporting the requested leave.


Commissioner


Commissioner


Commissioner

Approved July 13, 2016