



## MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS

June 4, 2024

### **1. CALL TO ORDER**

The meeting was called to order at 3:00 p.m. by Board President Patricia Hale. All persons attended in person, except for any who joined by telephone as noted (\*).

#### **Commissioners Present**

Commissioner Patricia Hale, President  
Commissioner Charlotte Haines, Secretary  
Commissioner Ron Ricker, Vice President

#### **Staff and Consultants**

Diane Pottinger, District Manager  
Max Woody, Director Operations & Engineering  
Barb Shosten, Director of Finance  
Joe Bennett, District Counsel  
Toby Bigger,\* Senior Field Inspector

#### **Members of the Public**

Robert Gregg  
Andrew Gregg\*  
James Saxon\*  
Joshua Lin\*  
Sabrina Julius\*  
Jack Malleck  
Ken Tousley

### **2. PUBLIC HEARING for Reimbursement Agreement with WZL Enterprises, Inc.**

Before starting the public hearing, Commissioner Hale asked the staff to summarize the reimbursement options and provide a recommendation. District Manager Pottinger shared a memorandum that outlined the four options: equal share for each parcel, front footage, square footage and hybrid. District staff recommended the hybrid option: (1) engineering and hydrant costs allocated equally among the lots; (2) 40% of the remaining costs will be allocated based on front footage; and (3) 60% of the remaining costs allocated based on square footage.

Members of the public asked questions. James Saxon asked if the costs of 6" and 4" water line for Paramount II were included in the bill of sale. Ms. Pottinger stated that yes, they had been included in the bill of sale but that costs which were limited to a specific property should not be included. Bob Gregg stated that the developer would remove any line item costs from the bill of sale that are not appropriate for reimbursement. Mr. Woody stated that staff will review again and revise the bill of sale. Mr. Saxon also asked that staff verify the length of various pipes included in the reimbursable improvements.

Commissioner Hale opened the public hearing at 3:33 p.m.

- **Ken Tousley:** He represents lots 18 and 19. He appreciates the question and answer. He said the reimbursable costs seem high. Regarding allocation methods, he stated that the: square footage is fairest, and his second choice is the hybrid option.
- **Robert Gregg:** He represents the developer WZL Enterprises (WZL). He referenced the church property, which he doesn't represent, and stated that square footage is not as appropriate for that property because much of it unbuildable due to wetlands.
- **Dean Williams:** He is the attorney for WZL. He stated that there is a dispute between WZL and District regarding the terms of the WSEA. The letter states benefited properties are not required to pay costs unless and until they connect and WZL disputes that.
- **James Saxon:** He requested that approval be delayed to confirm final costs. Ms. Pottinger agreed.

Commissioner Hale closed the public hearing at 3:44 p.m.

3. **PUBLIC COMMENT** None.

4. **APPROVAL AND/OR ADJUSTMENTS TO AGENDA**

District Manager recommended removing Item 7.a. Upon motion by Commissioner Ricker and second by Commissioner Haines, the Board unanimously approved the agenda as adjusted.

5. **APPROVAL OF MINUTES**

Upon motion by Commissioner Haines and second by Commissioner Ricker, the Board voted unanimously to approve the minutes of the May 21 regular meeting.

6. **APPROVAL OF VOUCHERS**

Commissioner Ricker moved to approve voucher numbers 7431-7447 and 120630-120672 in the amount of \$247,603.72 from the maintenance fund, and invoice 899 in the amount of \$10,694.20 from the capital fund. Commissioner Hale seconded. Mr. Woody provided additional information about specific vouchers in response to Commissioner Hale's emailed questions. The motion passed unanimously.

7. **OLD BUSINESS.**

- a. Item removed from agenda.
- b. **Fircrest Campus Projects.** Ms. Pottinger provided an update. The District has an agreed MOU with DSHS that we agreed to earlier in 2024. Mr. Bennett is reviewing the WSEA. Both the MOU and WSEA will be submitted to the Board for approval when both are final. Commissioner Hale asked questions.

8. **NEW BUSINESS**

- a. Resolution 2024.06.16, approving contract with Atwell Engineering for 19<sup>th</sup> Ave NE Project. Ms. Pottinger and Mr. Woody provided background. *ACTION:* Upon motion by Commissioner Hale and second by Commissioner Ricker, the Board unanimously adopted the resolution.
- b. **Highland Utility District (HUD) Interlocal Agreement for Utility Services.** Mr. Bennett is reviewing the agreement and responding to HUD's proposed changes.

9. **DIRECTORS' AND MANAGER'S REPORTS**

a. **Director of Finance**

Ms. Shosten reported:

- Financial statements were submitted in May.
- Today is the second day of the new administrative office schedule. Staff are tracking customer comments both positive and negative. The Board will receive periodic updates from both customer and staff feedback.

b. **Director of Operations and Engineering**

Mr. Woody reported:

- The 41<sup>st</sup> to Beach Drive (CIP 2022-01) project was awarded. The Homeowners Associated requested the location of the water main be changed from what was approved in the bid documents. An arborist is preparing a report to evaluate the potential crossings including the option that was included in the bid documents.
- Beach Drive Creek Crossing Project (CIP 2021-04) is still under regulatory review.
- 6<sup>th</sup> Avenue Project (CIP 2022-03): City of Shoreline is compiling its review comments.
- He is working with the consulting engineer on updating the Water System Extension Agreement (WSEA) and expects to bring that to the Board in the near future.
- He is working on a proposal for upgrading the sound system and adding a projector screen in the Board room.

c. **District Manager**

Ms. Pottinger reported:

- The District had their Sanitary Survey in late May. Mr. Woody, Mr. Oberstadt and Mr. Heivilin all participated in the survey both in the office and onsite at the 2.0 and 3.7 MG reservoirs.
- Capital Projects Appropriations Review Committee met this morning and wanted to propose some changes to more specifically define prudent utility management and additional reporting requirements for when staff complete capital projects.
- WASWD Legislator Year is Rep. Davina Duerr whom represents the 1<sup>st</sup> Legislative District, which includes Lake Forest Park.
- SPU is giving its annual tour of the Cedar River watershed tour next week. Operating Board meeting to follow.
- The next Savvy Gardener class is June 12 at the District.

10. **LEGAL REPORT** Mr. Bennett reported on a pending Washington Supreme Court case involving Department of Ecology.

11. **COMMISSIONER REPORTS**

- Commissioner Ricker shared his thoughts on the SPU contract negotiations.
- Commissioner Haines attended the recent Savvy Gardener class.
- Commissioner Hale shared comments and questions received from customers.

12. **EXECUTIVE SESSION.** None.

13. **WORDS FOR THE GOOD OF THE ORDER** None.

14. **NEXT MEETING**

- Regular meeting of Board of Commissioners, Tuesday, June 18, at 3:00 p.m.

15. **CONCLUSION**

Commissioner Hale concluded the meeting at 5:07 p.m.

---

Commissioner Patricia M. Hale

---

Commissioner Charlotte Haines

---

Commissioner Ron Ricker