

**MINUTES OF REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF
COAL CREEK UTILITY DISTRICT
OF KING COUNTY, WASHINGTON**

Held January 14, 2015

A regular meeting of the Board of Commissioners of Coal Creek Utility District was held at the District Office, 6801 – 132nd Place SE, Newcastle, Washington, on January 14, 2015. Commissioner Anderson called the meeting to order at 5:00 p.m. Commissioners Martin and Kunkel were present. District Staff Robert Russell and Todd Hynek were present. John Milne, General Counsel, and Dave Hutley, consulting engineer, were also present.

CONSENT AGENDA

Approval of minutes - Regular Board Meeting of December 10, 2014

Approval of minutes – Special Board Meeting of December 29, 2015

Adoption of Resolution No. 1803 approving Agenda Preparation Protocols

Residence at Lake Boren Developer Extension Agreement (Water and Sewer) -

Approval conditioned on clarification of developer signature authority

Martin made the motion to approve the consent agenda. Kunkel seconded the motion, which carried unanimously.

CITIZENS' COMMENTS AND CONCERNS

There were no comments from the citizens in attendance.

ELECTION OF OFFICERS

Anderson requested nominations for the election of Board officers for the year 2015. Following discussion, Kunkel nominated Martin to serve as Board President, himself to serve as Board Vice President, and Anderson to serve as Board Secretary. By unanimous ballot, the Commissioners then elected those individuals to serve in those positions for the year 2015. Commissioner Martin then presided over the remainder of the Board meeting.

PACE RATE PROPOSAL

Hutley requested the Board approve revised rates and charges for engineering services as set forth in a letter dated December 10, 2014, to the District. The Board had previously considered the revised rates at the December 10, 2014, Board meeting but had deferred consideration of the matter until a full Board was present. Following discussion, Kunkel made the motion to approve the revised rates and charges as set forth in the December 10, 2014 proposal to be effective January 1, 2015. Martin seconded the motion, which carried unanimously.

COLLECTIVE BARGAINING AGREEMENT

Russell and Hynek advised the Union representing the District field employees had signed the collective bargaining agreement which would be effective for the time period of January 1, 2015, through December 31, 2018. Following discussion, Anderson made the motion to approve the collective bargaining agreement by the adoption of Resolution No. 1808. Anderson seconded the motion, which carried unanimously.

SNO-KING ANNUAL DUES

Russell recommended the Board approve the annual dues in the amount of \$4,000 for the District's continued membership for the year 2015 in the Sno-King Water Alliance. Following discussion, because he felt the Alliance provided significant benefits to the District and its ratepayers, Anderson made the motion to approve payment of the dues in that amount. Kunkel seconded the motion, which carried unanimously.

WASWD ANNUAL DUES

Russell recommended the Board approve the annual dues in the amount of \$9,287.35 for the District's continued membership for the year 2015 in the Washington Association of Sewer

and Water Districts. Following discussion, because he felt the Association provided significant benefits to the District and its ratepayers, Anderson made the motion to approve payment of the dues in that amount. Kunkel seconded the motion, which carried unanimously.

NEWCASTLE CHAMBER OF COMMERCE ANNUAL DUES

Russell recommended the Board approve the annual dues in the amount of \$300.00 for the District's continued membership for the year 2015 in the Newcastle Chamber of Commerce. Following discussion, because he felt the Chamber provided significant benefits to the District and its ratepayers, Kunkel made the motion to approve payment of the dues in that amount. Anderson seconded the motion, which carried unanimously.

SURPLUS PROPERTY

Hynek requested the Commissioners approve the surplussing of certain District personal property which was no longer needed by the District and had no value. Following discussion, Kunkel made the motion to adopt Resolution No. 1809 to surplus and dispose of the personal property as addressed in the resolution. Anderson seconded the motion which carried unanimously.

ATTORNEY'S COMMENTS

Milne had no comments.

ENGINEER'S COMMENTS

Hutley advised he would soon send out a letter to the property owners who would be affected by the Boren Creek Townhomes water and sewer latecomer reimbursement applications which were pending requesting their comments on the proposed applications before they were considered for approval by the Board. The Board will consider the reimbursement applications at the February 11, 2015, regular Board meeting, and public comments on the proposed applications will be requested by February 5, 2015. Hutley will keep the Board further advised.

OPERATIONS MANAGER'S COMMENTS

Hynek had no comments.

GENERAL MANAGER'S COMMENTS

Russell reported that Hynek had recently received his Water Distribution Manager Level Three certification. Russell and the Commissioners congratulated and commended Hynek on his achievement.

COMMISSIONERS' COMMENTS

Anderson reported on his attendance at the recent WASWD Emergency Preparedness Committee meeting.

Anderson commended staff on the recent District newsletter, but suggested staff consider presenting water consumption metrics in gallons, and not cubic feet. He felt District customers will have a better understanding of gallons. Otherwise, an explanation of how many gallons are in a cubic foot could be included. The other commissioners concurred.

Anderson acknowledged a letter received by the District in December, 2014, from a District ratepayer which was complimentary of the General Manager.

Martin reported on her attendance at the recent SPU Wholesale Customer Conservation Technical Forum meeting.

Martin advised she planned to attend the WASWD webinar scheduled for January 22, 2015, on GAAP and Cash Basis Accounting principles. Several District staff will also plan to attend the webinar.

ADDITIONAL CITIZENS' COMMENTS AND CONCERNS

There were no comments from the citizens in attendance.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 043286 through 043327 in the amount of \$287,288.10.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010516 through 010539 in the amount of \$117,150.51.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010540 through 010550 in the amount of \$10,450.00.

EXECUTIVE SESSION –EMPLOYEE PERFORMANCE REVIEW – RCW 42.30.110 (1)

(g)

Martin requested an executive session to review the performance of District employees. Following discussion, Kunkel so moved on that basis. Anderson seconded the motion, which carried unanimously. Before convening the executive session at 5:35 p.m., Martin advised the executive session would conclude at approximately 6:05 p.m. The Commissioners, Russell, Hynek and Milne then attended the executive session.

At 6:05 p.m., the executive session was extended to 6:30 p.m., which was publicly announced. Russell and Hynek were excused from the executive session.

At 7:00 p.m., the executive session was extended to 7:20 p.m., which was publicly announced. Russell then rejoined the executive session.

At 7:20 p.m., the executive session concluded and open public meeting was reconvened.

Following discussion, the Board made the following decisions and determinations:

1. Kunkel made the motion to approve an updated employment agreement for the Operations Manager with the terms and conditions identified by the Board at the December 29, 2014 Board meeting. Anderson seconded the motion which carried unanimously. Martin was then authorized to sign the agreement on behalf of the District.

2. Based on the performance review of the General Manager, Kunkel made the motion to adjust the General Manager's annual compensation by six percent (6%) effective January 1, 2015. Anderson seconded the motion which carried unanimously. The Board then authorized and directed counsel to prepare for Board consideration at the next regular meeting an employment contract for the General Manager for the year 2015 with the updated compensation consistent with the Board's determinations and those amendments deemed appropriate by counsel.

3. The Board authorized the General Manager to sign the Separation and Release Agreement with the former District Office Manager and to carry out the terms of the Agreement.

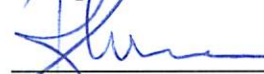
4. The Board authorized the General Manager to hire a temporary office assistant as he felt appropriate, and temporary accounting and financial assistance.

5. The Board authorized a cost of living increase effective January 1, 2015, for the two permanent District office staff in the amount of the CPI-W for the preceding year.

6. The Board authorized the General Manager to review the current Employee Manual applicable to non-union District employees, including input from District counsel, for possible update and to report back to the Board.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting was concluded at 7:40 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner