

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

Held on February 24, 2016

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 February 24, 2016. Commissioner Kunkel called the meeting to order at 5:00 p.m. Commissioners Anderson and Martin were present. District Staff Robert Russell and Todd Hynek were present. John Milne, General Counsel, was also present.

APPROVAL OF AGENDA

Anderson made the motion to approve the agenda as presented. Martin seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of minutes – Regular Board Meeting of February 10, 2016.

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizens in attendance.

2016 GFC/LFC STUDY – RESOLUTION

A public hearing on the proposed update of District water and sewer general and local facility connection charges had been conducted at the February 10, 2016, Board meeting. Public comment had been received supporting the revised proposed charges. The Board had the proposed revised charges under advisement following the public hearing. Given the

recommendation of the District's rate consultant, PACE Engineers, and District staff that the charges be approved as proposed, Martin made the motion to approve the updated charges by the adoption of Resolution No. 1830. Anderson seconded the motion, which carried unanimously. District staff will now implement the revised charges.

WU – REMOVAL OF PENALTY REQUEST

Russell advised that the customer was not available to attend the Board meeting to present his request to remove a late payment penalty from his account. Following discussion, the Commissioners suggested District staff invite the customer to submit a written request to the District stating the basis of his request for penalty removal. However, the Commissioners felt they could better understand the basis for any such request from customers if they attended the Board meeting in person to present their request. Therefore, the Board authorized and directed District staff to revise the applicable District resolution addressing the procedure to request penalty removal to require the customer to attend the Board meeting in person to present a request. The revised resolution will be presented at a future Board meeting for consideration.

MELLINGER – LEAK CREDIT REQUEST

Russell reported that District customer James Mellinger had experienced an unexplained large volume of water consumption on his residential account and was requesting the Board consider charge relief. Russell advised the District had a leak adjustment policy as set forth in Resolution No. 1416, but no leak had been identified and therefore had not been repaired to qualify for the leak adjustment policy. However, the Board had granted similar unexplained large volume water uses in the past. Mellinger then addressed the Board and represented that he was not aware of any water usage at his property out of the ordinary and he had no explanation for the large volume used. Staff indicated that the District planned to replace Mellinger's water

meter with a new meter to make sure his water consumption was measured accurately, although they had no reason to believe his current meter had over-registered consumption. Following discussion, given the absence of any basis for the large consumption, Anderson made the motion to adjust Mellinger's latest billing consistent with the District's leak adjustment policy in the amount of \$436.19, but that the adjustment be done on a one-time basis. Martin seconded the motion, which carried unanimously. District staff will assist Mellinger to complete the leak adjustment form to document the credit.

CURL – TEMPORARY DISABILITY REQUEST

A District customer had requested the adjustment of her utility charges due to a temporary disability. Russell advised regarding the District's program providing rate relief to low income senior citizens and customers with permanent disabilities. The District's program was consistent with the programs administered by adjacent utilities such as the cities of Bellevue and Renton. However, the District's program did not address customers with a temporary disability. Milne reported on the District's authority in RCW 57.08.014 to adjust or delay utility rates for low income persons, including classes of persons such as senior citizens and persons with disabilities. He advised the District's policy currently extended to customers with permanent disabilities, but did not address temporary disabilities.

In response to Commissioner questions, Staff and Milne advised they were not aware of any other utilities with similar programs to provided rate relief to persons with temporary disabilities. Further, it may be difficult to define and administer a program based on temporary disability. Following discussion, the Board determined to not include a basis for rate relief based on temporary disability, and directed Staff to advise the customer accordingly.

WRITE-OFF POLICY

Russell requested the authority to write off small amounts for customers with remaining balances on closed accounts within a certain period of time. Otherwise, all credit balances under \$1.00 will be automatically transferred to the new customer unless the prior customer makes a written request for the balance. He advised other utilities had formal write-off policies. Milne supported the proposal to reduce collection cost, but suggested District staff have the State Auditor's Office approve such a policy. Following discussion, the Board authorized staff to contact the SAO for approval of such a policy. If the SAO approves having such a policy, Staff were then authorized to prepare a written draft policy for Board consideration at a future meeting.

ATTORNEY'S COMMENTS

There were none.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 044236 through 044264 in the amount of \$54,360.31.

OPERATIONS MANAGER'S COMMENTS

Hynek reported that the engineer had issued a March 1, 2016, work starting date for the purposes of the completion schedule. The engineer and staff have some concern about the time frame to complete both the interior and exterior recoating projects so the reservoir will be on-line when required. Staff will keep the Board further advised.

Hynek stated District staff is researching the purchase of a new sewer TV truck. The existing truck is old, no longer reliable, and repair costs for the truck and equipment have been increasing. He will keep the Board further advised.

GENERAL MANAGER'S COMMENTS

Russell asked whether the commissioners would attend the State Association Spring conference. Anderson and Martin will attend, but Kunkel indicated he would probably not attend.

Russell reported the District has not hired to replace two vacant full time field positions. He requested authorization to hire one full time water/sewer technician. The starting wage would depend on experience and qualifications, and fall within the range of W/S Technician as described in the collective bargaining agreement.

COMMISSIONERS' COMMENTS

Martin reported on her attendance at the recent State Association Section IV meeting.

Martin reported on her attendance at the State Association Conference and Training committee meeting.

Martin reported on her attendance at the State Association Executive Committee and Board of Directors meetings.

Anderson reported on his attendance at the recent State Association technology committee meeting.

ADDITIONAL CITIZENS' COMMENTS

There were no comments from the citizens in attendance.

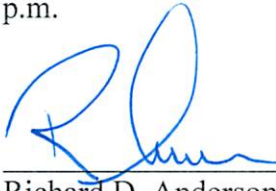
EXECUTIVE SESSION – EMPLOYEE PERFORMANCE REVIEW

Russell requested an executive session pursuant to RCW 42.30.110(1)(g) to review the performance of a District employee. Following discussion, Anderson so moved on that basis. Martin seconded the motion, which carried unanimously. Before convening the executive session

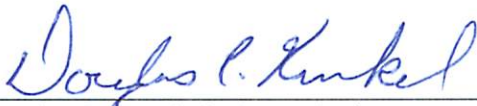
at 6:10 p.m., Kunkel advised the executive session would conclude at approximately 6:30 p.m. The Commissioners, Russell, Hynek and Milne then attended the executive session. At 6:20 p.m., the executive session concluded and open public meeting reconvened without further action in open session.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:20 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner