

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

Held on May 9, 2018

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 May 9, 2018. Commissioner Pam Martin, Board President, called the meeting to order at 5:00 p.m. Commissioner Doug Kunkel, Board Vice President, and Commissioner Ric Anderson, Board Secretary, were also in attendance. District Staff Robert Russell, General Manager, Anne Paige, Finance Manager, and Patrick Martin, Operations Manager, were present. John Milne, District counsel, and Dave Hutley, District Engineer, were also present.

APPROVAL OF AGENDA

Commissioner Kunkel made a motion to approve the agenda. Commissioner Anderson seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of Minutes – Regular Board meeting – April 25, 2018

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizens in attendance.

RESERVOIR SEISMIC STUDY PROPOSAL

Hutley presented a proposal dated May 7, 2018, for engineering services to conduct a reservoir seismic analysis of the District's five water storage reservoirs at a cost not to exceed \$75,000.00. Staff recommended the study proceed to insure the integrity of the District's reservoirs in case of seismic events. Following discussion, Commissioner Kunkel made the motion to approve the proposal and study at a cost not to exceed \$75,000.00. Commissioner Anderson seconded the motion, which carried unanimously.

KONICA MINOLTA MULTIFUNCTION PRINTERS

Russell recommended the District replace the District's existing copy machines. The District had received a proposal to purchase two Konica Minolta C458 copy machines at a cost of \$16,638.29, including a one year service contract and delivery/installation. He reported the equipment would be purchased through the State bid vendor lists pursuant to RCW 57.08.050. Following discussion, Commissioner Anderson made the motion to authorize the purchase in that amount. Commissioner Kunkel seconded the motion, which carried unanimously.

CONSULTING SERVICES FOR C.P. MCAULIFFE CPA

Russell recommended the District retain the services of C.P. McAuliffe, an accounting firm, to provide 2017 year-end accounting services. Following discussion, Commissioner Kunkel so moved. Commissioner Anderson seconded the motion, which carried unanimously. Russell was then authorized to sign the consulting services agreement with the accountant on the District's behalf.

ATTORNEY'S REPORT

There was no attorney's report.

ENGINEER'S REPORT

Mr. Hutley provided the commissioners with a report dated May 8, 2018, on the status of various District engineering projects.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 2386 through 2413 in the amount of \$273,558.10.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$124,003.87.

FINANCE MANAGER'S COMMENTS

Ms. Paige reported she would like to send certain office District staff to classes for further training. The Commissioners then discussed the policy as contained in the employee manual regarding the District's payment for classes and when employees were required to pay for further education or when the District paid educational expenses, and when were employees required to reimburse the District when they left District employee within a given time period after taking approved classes paid for by the District. The Commissioners then determined to further discuss the subject at a Board workshop to discuss the updating of the employee manual. The workshop was tentatively scheduled for a Noon to 4:00 p.m. time frame on a date as later identified by the Board.

Ms. Paige reported she had received a proposed agreement from Sage for a software subscription. She and the attorney will review the agreement and report back to the Board.

Ms. Paige reported she had worked with the District's accountant that day and that the District's 2017 financial statement should be available within two weeks. She will keep the Board further advised.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported that he planned to bid the 580 Reservoir recoating project in spring 2019. He will keep the Board further advised.

GENERAL MANAGER'S COMMENTS

Mr. Russell reported the District newsletter would soon be mailed out to District customers.

Mr. Russell reported on the District's efforts to respond to a customer's complaints regarding the calculation of the cost of utility services. Mr. Russell reported that the customer was not a direct District customer; rather, the customer lived in an apartment and the District billed the apartment owner directly for utility service to the apartment building. The apartment owner, in turn, used a third-party billing service to bill the cost of utility service to renters, and the third-party billing service charged a mark-up on the utility cost. Following discussion, it was determined the District had attempted to address all of the customer's questions and concerns, but had no authority over the third-party bill relationship.

COMMISSIONERS' COMMENTS

Commissioner Kunkel advised he was no longer receiving District emails and requested that staff review the matter.

Anderson reported on his attendance at the April 30, 2018, special meeting of the WASWD Board of Directors.

Commissioner Martin reported she had not been available to attend the most recent SPU Operating Board meeting but reported on the meeting's agenda.

Commissioner Martin reported she had not been available to attend the most recent SPU Technical Conservation Forum but reported on the meeting's agenda.

ADDITIONAL CITIZEN'S COMMENTS

There were no comments from the citizen in attendance.

EMPLOYEE PERFORMANCE REVIEW

Mr. Russell requested an executive session pursuant to RCW 42.30.110 (1) (g) to review the performance of certain District employees. Following discussion, Commissioner Anderson so moved on that basis. Commissioner Kunkel seconded the motion, which carried unanimously. Before convening the executive session at 6:30 p.m., Commissioner Martin advised the executive session would conclude at approximately 6:40 p.m. The Commissioners, District management staff and Milne then attended the executive session. At 6:40 p.m., the executive session was extended to 6:50 p.m., which was publicly announced. At 6:50 p.m., the executive session concluded and open public meeting reconvened.

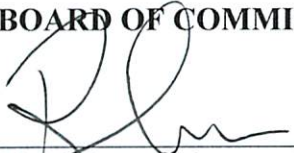
KING COUNTY FRANCHISE COMPENSATION ORDINANCE – PENDING LITIGATION

Mr. Milne requested an executive session pursuant to RCW 42.30.110 (1) (i) to discuss the status of the litigation involving the King County franchise compensation ordinance. Following discussion, Commissioner Anderson so moved on that basis. Commissioner Kunkel seconded the motion, which carried unanimously. Before convening the executive session at 6:55 p.m., Commissioner Martin advised the executive session would conclude at approximately 7:10 p.m. The Commissioners, District management staff and Milne then attended the executive session. At 7:10 p.m., the executive session concluded and open public meeting reconvened.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 7:15 p.m.


BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner