

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

Held on May 25, 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 May 25, 2016. Commissioner Doug Kunkel, President called the meeting to order at 5:00 p.m. Commissioners Ric Anderson, Vice President and Pamela Martin, Secretary were present. District Staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Tish Hunter, Finance Manager, were present. John Milne, General Counsel, was also present.

APPROVAL OF AGENDA

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

CONSENT AGENDA

Approval of minutes – Regular Board Meeting of May 11, 2016.

Monterey Meadows – Water Developer Extension Agreement Execution

Employment Agreement – Finance Manager

Employment Agreement – Operations Manager

Amendment to Employment Agreement – Special Projects Manager

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizens in attendance.

SURPLUS PROPERTY

Russell reported that certain District personal property was not and will not be needed for District purposes, had no value, and should be disposed of at the least cost to the District. Following discussion, Commissioner Anderson made the motion to adopt Resolution No. 1833 declaring the subject property surplus to the District's needs and authorizing and directing District staff to dispose of the property at the least cost to the District. Commissioner Martin seconded the motion, which carried unanimously.

ATTORNEY'S COMMENTS

There were no attorney comments.

ENGINEER'S COMMENTS

In the absence of the consulting engineer, Patrick Martin reported on the status of various District engineering projects currently being performed by PACE Engineering as set forth in a report dated May 25, 2016 from PACE.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher No. 044427 through 044449 in the amount of \$88,527.67.

FINANCE MANAGER'S COMMENTS

Hunter reported the District was required by RCW 42.24.080 to appoint an auditing officer to execute in the manner as provided by law a certification on payment vouchers processed by the District that the claim which was the subject of the voucher was a just claim.

She advised that, by the adoption of Resolution No. 1788, the District had previously designated Russell as the District's auditing officer, Pamela Nelson, the former District Office Manager, as the first alternate auditing officer, Todd Hynek, the current District special projects manager, as the second alternate auditing officer, and Patty Shank, a former District Officer Manager Assistant, as the third alternate auditing officer. However, Hunter reported that Nelson and Shank were no longer employed by the District, and Hynek intended to terminate his employment with the District effective June 30, 2016. Therefore, she recommended the Board repeal Resolution No. 1788 and reappoint Russell as the District's auditing officer, and appoint her as the alternate to serve as the District's auditing officer in Russell's absence from the District or unavailability. Russell concurred with Hunter's recommendation. Following discussion, Commissioner Martin so moved by the adoption of Resolution No. 1834. Commissioner Anderson seconded the motion, which carried unanimously. Two originals of the resolution were then signed by the commissioners and attested by Commissioner Martin as Board secretary. District staff were then authorized and directed to provide one of the original executed resolutions to the King County Treasurer's Office, the District's treasurer, to confirm the District's designation of an auditing officer and alternate officer.

OPERATIONS MANAGER'S COMMENTS

Patrick Martin reported on the status of the process to fill a field staff tech position. Commissioner Martin reported that some districts have a one year probationary period for new hires and the District should consider such.

Mr. Martin reported on certain trees at the 440 Reservoir that were encroaching on adjacent private property. The encroachment could be resolved by pruning or removing the trees. However, some property owners in the area had requested the trees not be removed because they

provided screening. Mr. Martin will consult with an arborist and report back to the Board. Commissioner Martin requested any report from the arborist or staff identify the pros and cons of each option relative to pruning or removing the trees.

Mr. Martin reported to the Board regarding the possible acquisition of a Sonetic wireless headset communication system for use by field employees which also provided hearing protection. The system, including five headsets, cost \$9,368.82, including tax. Following discussion, due to the safety and health benefits to field staff, Commissioner Anderson made the motion to authorize the acquisition of the Sonetic system for that amount. Commissioner Martin seconded the motion, which carried unanimously.

GENERAL MANAGER'S COMMENTS

Russell reported he had provided the revised drug and alcohol policy to the Union representing the field staff for consideration. The revised policy was subject to collective bargaining if the Union so desired. However, the policy had only been revised to address the effect of I-502 upon District policy, and much of the substance of the policy is mandated by federal law and therefore cannot be altered or eliminated by either the District or the Union. He will keep the Board further advised.

COMMISSIONERS' COMMENTS

Commissioner Martin reported on her attendance at the most recent SPU Operating Board meeting. She advised that she had submitted her name for consideration as the representative of the medium-sized water-sewer districts on the Board as the position was now vacant. The election will be held at the next Board meeting scheduled for June 2, 2016. However, she will not be able to attend that meeting and asked that District staff Steve Moye represent the District at the meeting.

Commissioner Martin reported on her attendance at the most recent State Association Board of Directors meeting.

Commissioner Martin reported the next State Association Section IV meeting will be held at the Green River filtration plant.

Commissioner Anderson reported on his attendance at the most recent State Association Technology Committee meeting.

ADDITIONAL CITIZEN'S COMMENTS

There were no comments from the citizen in attendance.

EXECUTIVE SESSION – EMPLOYEE PERFORMANCE REVIEW

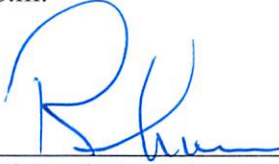
Russell requested an executive session pursuant to RCW 42.30.110(1)(g) to review employee performance. Following discussion, Commissioner Anderson so moved on that basis. Commissioner Martin seconded the motion, which carried unanimously. Before convening the executive session at 6:10 p.m., Kunkel advised the executive session would conclude at approximately 6:25 p.m. The Commissioners, Russell, Martin, Hunter, and Milne then attended the executive session. At 6:25 p.m., the executive session was extended until 6:35 p.m., which was publicly announced. At 6:35 p.m., the executive session concluded.

Following discussion, Commissioner Anderson made the motion to authorize management staff to fill the Administrative Assistant position. Commissioner Martin seconded the motion, which carried unanimously.

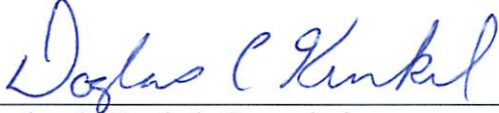
OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:40

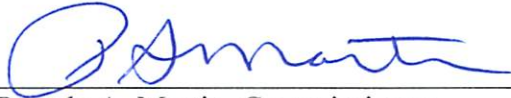
p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner