

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

Held June 10, 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 June 10, 2015. Commissioner Kunkel called the meeting to order at 5:00 p.m. Commissioner Anderson was present. Commissioner Martin had an excused absence. District Staff Robert Russell and Todd Hynek were present. Dave Hutley, Consulting Engineer, and John Milne, General Counsel, were also present.

CONSENT AGENDA

Approval of Minutes – Regular Board Meeting of May 27, 2015.

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

CITIZENS' COMMENTS AND CONCERNS

Ms. Pam Kaplan, 7527 – 137th Avenue SE, Newcastle, addressed the Board regarding an unusually high water consumption reading and District billing. Kaplan contended that an irrigation control unit had been reset to default settings as a result of a power outage, which had resulted in the high water use reading. However, the irrigation control unit had since been replaced.

Staff recommended that the Kaplans be given a one-time leak adjustment of \$1,221.46 on their bill of \$1,773.13. Following discussion, Anderson so moved on the condition that the adjustment would be on a one-time basis. Kunkel seconded the motion, which carried unanimously. Kaplan thanked the Board for the adjustment.

STREET LIGHT RATE STUDY

Russell reported he had worked with Commissioner Kunkel to update the District's charge for street lighting services. The District's present bi-monthly charge for street lighting services is \$5.00 per customer, but the District is not recovering its costs incurred to provide street lighting billings. He also reported that King County Water District No. 90 presently charged \$5.50 on a bi-monthly basis, Cedar River Water and Sewer District charged \$6.00 on a bi-monthly basis, and Woodinville Water District charged \$6.36 on a bi-monthly basis for streetlights.

Following discussion, based on the study, Anderson made a motion to adopt a revised street lighting charge of \$6.00 on a bi-monthly basis per customer effective immediately by the adoption of Resolution No. 1816. Kunkel seconded the motion, which carried unanimously.

FINANCIAL AND BUDGETARY POLICIES

Russell advised that the District's financial and budget policies would be discussed at the Board Retreat scheduled for June 15, 2015 at the District Office commencing at 8 a.m.

UTILITY BILLING/FINANCIAL SOFTWARE

Hynek reported that two vendors have been identified to provide utility billing and financial systems for the District. Hynek advised that, based on the evaluation criteria, True Point had submitted the best proposal for a utility billing system, and that Vision MS had submitted the best proposal to provide financial systems. He now requested authorization to negotiate contracts with those two vendors for further Board consideration and approval.

Milne advised that, pursuant to RCW 39.04.270, which provided for negotiated proposals, it was appropriate for the District to now negotiate contracts with those vendors.

Following discussion, the Board authorized and directed District Staff and Milne to negotiate contracts with the selected vendors for further Board consideration.

ATTORNEY'S COMMENTS

Milne advised the State Association had invited him to speak on the assumption referendum legislation at the Fall Conference.

Milne advised he planned to attend the next State Association's Attorney Group meeting and will report back to the Board.

GENERAL MANAGER'S COMMENTS

Russell reported the District had received a letter dated June 9, 2015 from the developer of the Avalon Newcastle Project at 6620 Coal Creek Parkway SE, Newcastle, WA. The Project would have approximately 900 units or approximately 659 equivalent residential units. The developer contended the District's connection charge methodology did not take into account the number of units to be constructed within the project and therefore the District's water and sewer connection charges were too high. Following discussion, given that it was an appropriate time to review and possibly update the District's connection charges, the Board invited PACE to submit a proposed scope of work and not to exceed budget for the study of the District's connection charges.

Russell reported the District had participated in the King County Regional Hazard Mitigation Plan, which had been approved by the Federal Emergency Management Agency by letter dated May 1, 2015.

COMMISSIONERS' COMMENTS

Anderson advised he had attended the recent State Association Emergency Preparation Committee meeting.

ADDITIONAL CITIZENS' COMMENTS AND CONCERNS

Mr. Ed Lammas on behalf of Newcastle Joint Venture, LLC, relative to the Avalon Newcastle Project, expressed the developer's desire to work cooperatively with the District on the project and on the review of the District's connection charges as they may apply to the project.

EXECUTIVE SESSION – RCW 42.30.110(1)(i) – POTENTIAL LITIGATION

Russell requested an executive session due to potential litigation relating to a connection charge matter involving the Aegis Gardens Newcastle development and a matter regarding hazard trees. Following discussion, Kunkel so moved on that basis. Anderson seconded the motion, which carried unanimously. Before convening the executive session at 5:50 p.m., Kunkel advised the executive session would conclude at approximately 6:20 p.m. The Commissioners, Russell, Hynek, Hutley, and Milne then attended the executive session. At 6:20 p.m., the executive session concluded and open public meeting reconvened. Following discussion, the District authorized and directed Staff and the attorney to work with Stantec, an engineering consultant, to address the connection charge matter relating to the Aegis development.

Relative to a hazard tree located adjacent to property at 12753 SE 73rd Ct., Newcastle, WA, owned by Curtis and Linda Hannis. Anderson made the motion to settle a claim for damages filed with the District by Hannis on the following basis: the District would pay the cost to remove the tree which had damaged the District's sewer line and the Hannis side sewer and pay to and reimburse Hannis the amount of 50% of their alleged damages of \$7,498.12, on the

condition the claim be fully settled and Hannis provide a release to the District. Kunkel seconded the motion, which carried unanimously. Staff will convey the District's settlement offer to Hannis for their consideration.

APPROVAL OF VOUCHERS

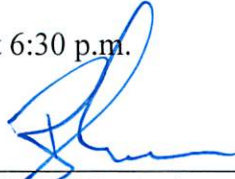
The Board approved for payment of Water/Sewer Maintenance Fund Voucher Nos. 043636 through 043666 in the amount of \$550,101.76.

The Board approved for payment of Water/Sewer Maintenance Fund Voucher Nos. 010684 through 010706 in the amount of \$93,665.87.

The Board approved for payment of Water/Sewer Maintenance Fund Voucher Nos. 010707 through 010708 in the amount of \$11,350.00.

OTHER DISTRICT BUSINESS

As there was no other further business or persons to be heard, the meeting was concluded at 6:30 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner