

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

**Held July 8, 2015**

A regular meeting of the Board of Commissioners of Coal Creek Utility District was held at the District Office, 6801 – 132<sup>nd</sup> Place SE, Newcastle, Washington, on July 8, 2015. Commissioner Martin called the meeting to order at 5:00 p.m. Commissioners Anderson and Kunkel were present. 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 June 24, 2015.

Resolution No. 1818 – Intent to Form Street Lighting System No. 91

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

**CITIZENS' COMMENTS AND CONCERNS**

There were no citizens in attendance.

**SPU WATER SUPPLY REPORT**

Martin reported on her attendance at the SPU Operating Board Meeting held on July 2, 2015. She advised that Seattle had reported that precipitation in the area had been the lowest since 1946 and that the snow pack had melted by late March. Seattle's reservoir storage had been good through May but had started dropping in June due to the lack of precipitation, hot weather and higher than normal water consumption. Therefore, Seattle would soon announce a change in the water supply situation from "good" to "fair" and would implement its water supply

contingency plan to raise awareness of the water supply situation. The next stage may include voluntary water use restrictions. However, if the water supply continues to decline, Seattle may impose mandatory water use restrictions. Due to the District's water supply contract with Seattle, the District would have to follow Seattle's lead. Martin will keep the Board further advised.

### **USDA RD LOAN PAYOFF**

The Commissioners discussed the possible pay-off of the District's USDA Rural Development Loan at the June 24, 2015 Board Meeting. Staff and Counsel provided a draft resolution authorizing the prepayment of the "Water and Sewer Revenue Bond, 2008" ("Bond") the District had issued to secure the repayment of an \$850,000.00 RD Loan. Russell advised the amount to pay off the RD Loan and to redeem the Bond was \$561,748.65. If the District now chose to pay off the RD Loan, those funds would be expended from the District's Capital Improvement fund. Following discussion, Kunkel made the motion to pay off the RD Loan, and therefore to authorize the prepayment of the Bond by the adoption of Resolution No. 1819. Anderson seconded the motion which carried unanimously.

### **METER PILOT PROJECT**

Hynek addressed the Board regarding the discussion at the recent Board retreat to undertake a pilot project using AMR meters that were cellular read. Staff had identified a specific meter for the pilot test and requested, due to the nature of such meters as special facilities, that the competitive bidding requirements be waived to authorize the acquisition of the meters and to undertake the pilot test. Following discussion, due to the nature of the equipment as special facilities, Anderson made the motion to authorize the purchase of the meters and to proceed with the pilot project by the adoption of Resolution No. 1820. Kunkel seconded the motion which carried unanimously.

### **ATTORNEY'S COMMENTS**

No Report.

### **ENGINEER'S COMMENTS**

Hutley advised that engineering staff had met with District Staff the prior week to commence work on the connection charge update study. He and Staff will keep the Board further advised.

Hutley advised he had met with Staff to discuss engineering services related to the 440 Reservoir paint project and would now provide a scope of work and "not to exceed" cost proposal for engineering services related to that project for Board review and approval.

### **OPERATIONS MANAGER'S COMMENTS**

Hynek provided the Commissioners with information regarding a Rain Garden workshop to be held at Lake Boren on September 12, 2015. He advised the District had agreed to partner with the City of Newcastle on the project due to its benefits for the community, the environment and the District, although there would be no cost to the District other than staff time. He will keep the Board further advised.

Hynek advised it had recently come to his attention the City of Newcastle was proceeding with street asphaltting projects but had not made prior arrangements with the District regarding the raising of affected manholes and valve covers. He will work with City Staff to determine the status of the project and possible impact on District work.

Hynek advised that bids had been received for certain sealing work at the District's shop building. The low bid had been submitted by Skis Painting in the amount of \$6,145, not including tax. Following discussion, Anderson made the motion to award the project bid to Skis

Painting as the lowest responsible bidder in that amount. Kunkel seconded the motion which carried unanimously.

Hynek advised the work on the SCADA upgrade project was progressing.

Hynek advised a contract had been signed with Vision MS for financial software and work on that project would commence in late August, 2015.

Hynek reported the District had provided comments to TruePoint, the consultant vendor the District had selected to provide updated billing software, on TruePoint's contract proposal. Once the contract is finalized, TruePoint was expected to commence work at the end of October, 2015.

Hynek reported that the Hannis's were still considering the District's offer to (1) reimburse them for half the plumbing expense they had incurred due to a recent tree root incursion in the District's sewer line and their side sewer, and (2) pay to have the problem tree removed. He will keep the Board further advised.

**GENERAL MANAGER'S COMMENTS**

Russell reported District Staff and the consultants would meet on Thursday, July 9, to discuss the recent request from the AvalonBay developer to defer payment of connection charges relating to their project until final connection. He expected Staff and consultants to have a report and recommendations for Board consideration at the next regular meeting.

Russell reported the candidate for appointment as a District Finance Manager had declined the District offer.

Russell reported the developer of the Aegis Living project had paid connection fees under protest, contending they were too high, and had requested the District consider a refund of the

charges if, following the District's completion of the connection charge study, the connection charges were reduced.

Russell provided information regarding King County sewer service rates and capacity charges, which will be adjusted effective January 1, 2016.

Russell reported Hynek would be out of the office on vacation the last two weeks of July and Russell would be out of the office for the first two weeks of August.

Russell reported District Staff proposed to schedule a recognition lunch on August 13, 2015, at the 1060 Reservoir to honor the recently deceased employee Bill Kodad. Following discussion, the Board approved the scheduling of the recognition lunch as proposed. The Commissioners hope to attend.

#### **COMMISSIONERS COMMENTS**

Anderson had questions regarding a pending garnishment proceeding involving a District employee. Staff responded to the questions.

Anderson requested confirmation that Mike Harris had left Water District No. 49. Staff confirmed that Harris had left the General Manager position at that District.

Anderson advised he would be absent from the August 26, 2015 Board Meeting.

Kunkel reported he had attended the City of Newcastle 4<sup>th</sup> of July Celebration.

Martin stated, other than her SPU Report, she had nothing further to report.

#### **ADDITIONAL COMMENTS AND CONCERNS**

Gordon Bisset, a Newcastle City Councilmember, who had arrived at the meeting after its commencement, requested whether the Board had taken action on the proposed pay-off of the USDA Rural Development Loan. Staff advised the Board had authorized such by the adoption of Resolution No. 1819.

## **EXECUTIVE SESSION – EMPLOYEE PERFORMANCE REVIEW**

Russell requested an Executive Session pursuant to RCW 42. 30.110(1)(g) to review the performance of certain District employees. Following discussion, Anderson so moved on that basis. Kunkel seconded the motion which carried unanimously. Before convening the Executive Session at 5:50 p.m., Martin advised the Executive Session would conclude at approximately 6:10 p.m. The Commissioners, Russell, Hynek and Milne then attended the Executive Session. At 6:10 p.m., the Executive Session was extended to 6:15 p.m., which was publically announced. At 6:15 p.m., the Executive Session concluded and open public meeting reconvened.

## **APPROVAL OF VOUCHERS**

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 043703 through 043738 in the amount of \$470,090.35.

The Board approved for payment Capital Improvement Fund Voucher No. 043739 in the amount of \$561,748.65.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010719 through 010742 in the amount of \$101,496.59.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010743

through 010754 in the amount of \$11,350.00.

**OTHER DISTRICT BUSINESS**

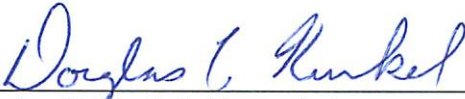
As there was no further business or persons to be heard, the meeting concluded at 6:25

p.m.



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Richard D. Anderson, Commissioner



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Douglas C. Kunkel, Commissioner



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Pamela A. Martin, Commissioner