

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

Held July 23, 2014

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 July 23, 2014. Commissioner Anderson called the meeting to order at 5:00 p.m. Commissioners Kunkel and Martin were present. District Staff Robert Russell, Todd Hynek and Pam Nelson were present. John Milne, General Counsel, and Dave Hutley, Consulting Engineer, were also present.

CONSENT AGENDA

Approval of minutes - regular Board meeting of July 9, 2014.

Wolvin Developer Extension Agreement - water and sewer extension design approval.

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

CITIZENS' COMMENTS AND CONCERNS

There were no comments from the citizens in attendance.

TRAVEL AND MEALS POLICY

District Staff presented a resolution for signature addressing conference attendance, travel expense reimbursement, and District vehicle use policies which had been approved by the Board by the adoption of Resolution No. 1796 at the July 9, 2014 Board meeting. However, Martin recommended Section 5 of the "expenses/reimbursement" policy regarding the option the commissioners be reimbursed for meals and lodging on a per diem basis based on the U.S. General Services Administration per diem rate be revised. She felt the per diem rate should be the GSA rate for the locale where the conferences or other activities were held, and not necessarily the rate for the Seattle/King County area, as the resolution presently provided. The

other Commissioners concurred with Martins suggested provisions. Therefore, following discussion, Martin made the motion to reconsider the approval of the conference attendance and travel expense reimbursement policy is adopted by Resolution No. 1796. Kunkel seconded the motion, which carried unanimously. Martin then made the motion to approve the updated policies with the revised per diem provision based on locale by the adoption of Resolution No. 1796. Kunkel seconded the motion, which carried unanimously. The revised resolution will be presented for signature on the consent agenda at the next regular meeting.

LATECOMER REIMBURSEMENT POLICY

Staff and Milne presented the revised and updated policies and procedures to consider applications for latecomer reimbursement. Following discussion, Martin made the motion to approve the updated policies and procedures by the adoption of Resolution No. 1797. Kunkel seconded the motion, which carried unanimously.

ENGINEER'S COMMENTS

Hutley reported the District had received two new latecomer reimbursement applications, which will now be processed under the updated latecomer reimbursement policies and procedures which the Board had just adopted. He also noted development activity in the District was increasing.

OFFICE MANAGER'S COMMENTS

Nelson reported the District had received registration materials for the Newcastle Days Festival, which will be held on September 6, 2014 between 11 a.m. and 7 p.m.

OPERATIONS MANAGER'S COMMENTS

Hynek reported on the status of the 1060 Reservoir electrical power project.

Hynek reported on the status of the receipt of bids for maintenance of the District's headquarters parking lot and other District parking lots. He will keep the Board further advised.

Hynek reported on the status of the replacement of certain master meters which he had reported as not meeting their required accuracy standards on at the July 9, 2014 Board meeting. He advised the estimated cost to replace the defective meters was between \$18,000 to \$20,000.

GENERAL MANAGER'S COMMENTS

Russell reported the union representing the District field employees had proposed the issue regarding healthcare insurance surcharges be addressed as part of the negotiations of a new collective bargaining agreement for the field employees. That agreement would expire at the end of 2014. Russell supported the request to allow time for grievances filed by other unions at the State level to be resolved. Russell further advised he is monitoring the current mediation/arbitration between the State employees union and the Public Employment Relations Commission regarding the same issue. However, Russell advised the District's position would remain that it could bargain the effects of surcharge, but does not have the authority to bargain the surcharge itself due to legal requirements, pending any contrary outcome of the State grievance process.

COMMISSIONERS' COMMENTS

Martin reported she planned to attend the State Association Board of Directors meeting scheduled for July 28, 2014, and the State Association Strategic Planning Committee meeting, scheduled for July 30, 2014.

Anderson reported that he had attended the most recent State Association Government Relations Committee meeting and provided the Commissioners with a written report regarding the meeting.

Anderson reported he also planned to attend State Association Board of Directors scheduled for July 28, 2014.

ADDITIONAL CITIZENS' COMMENTS AND CONCERNS

There were no comments from the citizens in attendance.

SALE OF REAL PROPERTY–EXECUTIVE SESSION–RCW 42.30.110(1)(c)

Russell requested an Executive Session to discuss the possible sale of the District's former operations center to the City of Newcastle. Following discussion, Martin so moved on that basis. Kunkel seconded the motion, which carried unanimously. Before convening the Executive Session at 5:45 p.m., Anderson advised the Executive Session would be concluded at approximately 6:20 p.m. The Commissioners, Russell, Hynek, Nelson and Andrew Maron, Special Counsel, then attended the Executive Session and Milne left the meeting. At 6:20 p.m., the Executive Session was concluded and open public meeting was reconvened.

Following discussion, Kunkel made the motion to sell the former Operations Center to the City of Newcastle for a purchase price of \$250,000 and a ten year non-assumption provision. Martin seconded the motion, which carried unanimously. The General Manager will now sign and return to the City a redline edit version of the City's Letter of Intent dated May 14, 2014 with terms and conditions acceptable to the District and proceed with the preparation of a formal purchase and sale agreement with the assistance of special counsel for further Board consideration.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 042910 through 042946 in the amount of \$50,000.26.

OTHER DISTRICT BUSINESS

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

6:30 p.m.

Richard D. Anderson, Commissioner



Douglas C. Kunkel

Douglas C. Kunkel, Commissioner

Pamela A. Martin

Pamela A. Martin, Commissioner