

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

**Held on October 11, 2017**

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 October 11, 2017. Commissioner Ric Anderson, Board President, called the meeting to order at 5:00 p.m. Commissioner Pam Martin, Board Vice President, and Commissioner Doug Kunkel, Board Secretary, were also in attendance. District Staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Anne Paige, Finance Manager, were present. Dave Hutley, consulting engineer, and John Milne, general counsel, were also present.

**APPROVAL OF AGENDA**

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

**CONSENT AGENDA**

Approval of Minutes – Regular Board meeting – September 13, 2017

Commissioner Martin 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 citizen in attendance.

**440 RESERVOIR RECOATING PROJECT**

Hutley and Mr. Martin reported the contractor had recently completed the project work and they would be recommending its final acceptance at the next regular Board meeting. However,

Hutley noted the project work was completed approximately 340 calendar days past the project contract completion date. The District had previously advised the contractor by letters that the District reserved the right to impose contractual liquidated damages for late completion. Following discussion, the Board directed staff to report further regarding project close-out costs and potential liquidated damages at the next regular meeting. Staff and the engineer will also communicate with City of Bellevue staff to obtain the City's input on close-out costs and damages because the City is obliged to pay thirty-three (33) percent of the project's cost under the 2002 interlocal agreement with the City implementing the City's assumption of a portion of the District's service area and facilities.

**ALDEA/QUADRANT HOMES – LOTS 7 & 9 – DEA PHASING REQUEST**

Mr. Martin reported on a request by letter dated October 6, 2017, from Quadrant Homes, the developer of the Aldea at Newcastle Lots 7 & 9 Townhome project, that the developer be allowed to phase the project work under the developer extension agreement because utility work on Lot 7 would be completed within the next thirty days but the work on Lot 9 may not be completed until February or March, 2018. Mr. Martin reported the extension agreement allowed for phasing as conditioned by the District and he supported the developer's request. For example, the two year maintenance period for both Lots would not commence until the work for Lot 9 was completed and granted final acceptance by the District. Milne advised the phasing could be addressed in an amendment to the extension agreement. Following discussion, Commissioner Kunkel made the motion to approve the phasing of the project work as proposed by the developer by amendment to the extension agreement on the conditions the maintenance period for both Lots would not commence until the work on both Lots was granted final acceptance and that the developer pay and reimburse to the District all fees, costs and expenses incurred by the District to

phase the work, including legal expense to prepare the extension agreement amendment. Commissioner Martin seconded the motion, which carried unanimously. The Board also authorized the General Manager to sign the amendment on the District's behalf once the amendment was in a form acceptable to him and signed by the developer.

### **ATTORNEY'S COMMENTS**

Milne reported on the status of the King County ordinance purporting to charge the District and other utilities "rent" to maintain facilities within County rights-of-way. He will keep the Board further advised.

### **ENGINEERS REPORT**

Hutley presented the engineering project status report.

Hutley provided a budgetary cost estimate for the 580 Reservoir recoating project presently scheduled for completion in the year 2018. Staff and the engineer will also communicate with City of Bellevue regarding the proposed project because the City is obliged to pay forty (40) percent of the project's cost under the 2002 interlocal agreement with the City implementing the City's assumption of a portion of the District's service area and facilities. However, because the City biennial budget did not including funding for the project in 2018, Staff may recommend the District complete the Project in 2018 but provide for the City by agreement to reimburse the District for the City's share of the project costs in 2019. Staff will keep the Board further advised on that possibility.

### **APPROVAL OF VOUCHERS**

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1965 through 1992 in the amount of \$256,430.60.

## **FINANCE MANAGER'S COMMENTS**

Paige confirmed the commissioners' accommodation requests for the WASWD Spring Conference.

Paige advised District staff is working on an organizational chart with employee pictures.

## **OPERATIONS MANAGER'S COMMENTS**

Mr. Martin requested authorization to reimburse the City of Newcastle the amount of \$19,940 for the cost of District work which had been included in City road work by agreement during 2017. Following discussion, Commissioner Martin made the motion to approve reimbursement to the City in that amount. Commissioner Kunkel seconded the motion, which carried unanimously.

Mr. Martin reported that the Newcastle Apartments project and the Renton School District project would probably be ready for final acceptance at the next regular Board meeting.

Mr. Martin requested the Commissioners attend the next regular Board meeting early so that their pictures could be taken for identification badges.

## **GENERAL MANAGER'S COMMENTS**

Russell requested commissioner input on the District's draft Fall/Winter newsletter.

Milne noted that one of the draft articles reported on Commissioner Martin's recent reelection to the WASWD Board of Directors. He noted that Commissioner Martin was currently running for reelection to her District Board commissioner position and advised regarding the possible application of RCW 42.17A.555 which prohibited the use of District facilities, including newsletters, in support of an election campaign. However, the applicable statute also exempted the use of District facilities for activities which are part of the normal and regular conduct of the District. Commissioner Martin reported it was her recollection the District had previously reported

on her election to the WASWD Board in prior newsletters. Following discussion, Commissioner Martin determined it was not necessary to report on her reelection to the WASWD Board in the Fall newsletter and requested District staff not include the article.

### **COMMISSIONERS' COMMENTS**

Commissioner Martin reported on her attendance at the two most recent Seattle Operating Board meetings.

Commissioner Martin reported on her attendance at the recent State Association Fall Conference.

Commissioner Martin reported it was her understanding a hotel was proposed to be located in the City of Newcastle.

Commissioner Anderson reported on his attendance at the recent State Association Fall Conference.

Commissioner Anderson reported he planned to attend the State Association Government Relations Committee meeting the following day.

Commissioner Anderson reported he planned to attend the State Association Emergency Preparedness Committee meeting on Friday, October 13, 2017.

### **ADDITIONAL CITIZEN'S COMMENTS**

There were no comments from the citizen in attendance.

### **EXECUTIVE SESSION – RCW 42.30.110(1) (g) – REVIEW EMPLOYEE PERFORMANCE**

Russell requested an executive session to discuss the performance of a District employee. Following discussion, Commissioner Martin so moved on that basis. Commissioner Kunkel seconded the motion, which carried unanimously. Before convening the executive session at 6:10

p.m., Commissioner Anderson advised the executive session would conclude at approximately 6:20 p.m. The Commissioners, Management staff and Milne then attended the executive session. At 6:20 p.m., the executive session concluded and open public meeting was reconvened.

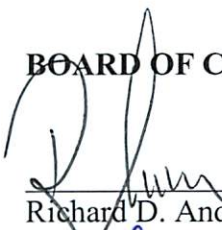
**EXECUTIVE SESSION – RCW 42.30.140(4) (b) – COLLECTIVE BARGAINING**

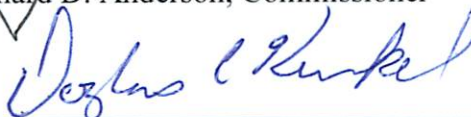
Russell requested an executive session to discuss the status of collective bargaining with the represented field employees. The current collective bargaining agreement will expire on December 31, 2017. Following discussion, Commissioner Martin so moved on that basis. Commissioner Kunkel seconded the motion, which carried unanimously. Before convening the executive session at 6:25 p.m., Commissioner Anderson advised the executive session would conclude at approximately 7:00 p.m. The Commissioners, Management staff and Milne then attended the executive session. At 7:00 p.m., the executive session was extended to 8:00 p.m., which was publicly announced. At 8:00 p.m., the executive session concluded and open public meeting was reconvened.

**OTHER DISTRICT BUSINESS**

As there was no further business or persons to be heard, the meeting concluded at 8:05 p.m.

**BOARD OF COMMISSIONERS**

  
Richard D. Anderson, Commissioner

  
Douglas C. Kunkel, Commissioner

  
Pamela A. Martin, Commissioner