

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

Held on October 25, 2017

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 October 25, 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 – October 25, 2017

Newcastle Way Apartments – Water/Sewer DEA – Final Acceptance

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

CITIZENS' COMMENTS / CONCERNS

Gordon Bisset, a City of Newcastle City Councilmember, reported that the City Council had included funds in the City's draft 2018 budget for the replacement of all street lights within the City with LED lighting.

WSRMP

Russell reported that the Risk Management Pool, of which the District was a member, had reported by letter dated October 20, 2017 to the District that the District's 2017-2018 member allocation would be \$74,712, which was less than the District's current allocation. He recommended the Board approve the allocation and continue the District's membership in the Pool for 2017-2018. Following discussion, Commissioner Kunkel so moved. Commissioner Martin seconded the motion, which carried unanimously.

440 RESERVOIR RECOATING PROJECT

Hutley and Mr. Martin reported the contractor had recently completed the project work and recommended the Project work be granted final acceptance, subject to the maintenance period requirements and other Project close-out requirements, including the calculation and assessment of liquidated damages for the contractor's failure to complete the Project work by the Project completion deadline as required by the Project contract. Following discussion, Commissioner Kunkel made the motion to grant final acceptance to the Project work on those conditions by the adoption of Resolution No. 1853. Commissioner Martin seconded the motion, which carried unanimously.

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 advised the County had recently issued a draft rule to implement the ordinance and was accepting public comment on the draft rule until December 7, 2017. He then provided the commissioners and staff with copies of the draft rule and related documentation for their review. He will keep the Board further advised.

ENGINEERS REPORT

There was not engineering report.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1993 through 2019 in the amount of \$204,279.00.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll – Voucher Nos. 1011 through 1023 in the amount of \$15,800.00.

FINANCE MANAGER'S COMMENTS

Paige recommended the District create a Special Project Account with the King County Treasurer to separate funds that are set aside for future capital improvement projects, which are included in CCUDs Comprehensive Plan. The funds were already on deposit with King County in various accounts but she felt setting up a separate account for Special Projects would provide more clarity to the District's cash balance for capital improvement short and long-term planning. Following discussion, Commissioner Martin made the motion to establish the special fund as recommended by Paige by the adoption of Resolution No. 1854. Commissioner Kunkel seconded the motion, which carried unanimously. The resolution will now be prepared and placed on the consent agenda for signing at the next regular Board meeting.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported staff are working on the organizational chart with pictures and thanked the commissioners for attending the meeting early to have their pictures taken for the chart and identification badges.

GENERAL MANAGER'S COMMENTS

Russell reported that the District's financial consultant, FCSG, was completing the rate study for presentation at the November 8, 2017, Board meeting. Following discussion, the Board determined to schedule a public hearing on December 13, 2017, at 5:30 p.m. or as soon thereafter as can be heard to receive public comment on any proposed rate revisions.

Following discussion, the Board determined to cancel the November 22, 2017, Board meeting due to the Thanksgiving holiday.

COMMISSIONERS' COMMENTS

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

Commissioner Anderson reported on his attendance at the most recent State Association Board of Directors meeting.

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

ADDITIONAL CITIZEN'S COMMENTS

There were no additional comments from the citizen in attendance.

EXECUTIVE SESSION – RCW 42.30.110(1) (i) – POTENTIAL LITIGATION RELATING TO 440 RESERVOIR

Russell and Milne requested an executive session to discuss matters relating to the 440 Reservoir recoating project that could involve potential litigation. Following discussion, Commissioner Martin so moved on that basis. Commissioner Kunkel seconded the motion, which carried unanimously. Before convening the executive session at 5:35 p.m., Commissioner Anderson advised the executive session would conclude at approximately 6:00 p.m. The Commissioners, Management staff and Milne then attended the executive session. At 6:00 p.m.,

the executive session concluded and open public meeting was reconvened. Following discussion, the Board authorized and directed the engineer to advise the project contractor of the District's inclination to assess liquidated damages as authorized by the project contract due to the late completion of the project and invite the contractor's response and position on that issue.

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

Russell requested an executive session to discuss the performance of certain District employees. Following discussion, Commissioner Martin so moved on that basis. Commissioner Kunkel seconded the motion, which carried unanimously. Before convening the executive session at 6:05 p.m., Commissioner Anderson advised the executive session would conclude at approximately 6:35 p.m. The Commissioners, Management staff and Milne then attended the executive session. At 6:35 p.m., the executive session concluded and open public meeting was reconvened.

Following discussion, Commissioner Kunkel made the motion to approve moving District employee Robert Smart to the 36 month level in his classification effective the next District payroll period to recognize his superior job performance and dedication. Commissioner Martin seconded the motion, which carried unanimously.

Following further discussion, regarding the request by District employee Curtis White to work for the union representing the District field employees four days a month for the next two years and reduce his District work schedule by the same amount of time, there was Board consensus to favorably consider his request on the conditions that (1) it not impact work coverage, and (2) his vacation and sick leave benefits be prorated to account for the reduced District work

schedule. Management staff will further discuss the matter with White and advise the Board whether those conditions are acceptable.


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 6:40 p.m., Commissioner Anderson advised the executive session would conclude at approximately 7:30 p.m. The Commissioners, Management staff and Milne then attended the executive session. At 7:30 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 7:35 p.m.


BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner