

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

Held October 28, 2015

A special 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 28, 2015.

Commissioner Martin called the meeting to order at 4:15 p.m. Commissioner Anderson was present. Commissioner Kunkel attended the meeting later as these minutes indicate. District Staff Robert Russell, Todd Hynek and Dennis Axt were present. John Milne, General Counsel, was also present.

APPROVAL OF AGENDA

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

VEHICLES

Axt addressed the Board regarding the proposed surplus of certain District vehicles and the acquisition of replacement vehicles. District Staff were now recommending that a total of 5 District vehicles as identified on a list provided to the Commissioners be surplus and that the District replace the surplus vehicles with 3 new vehicles. Axt recommended the District acquire a 2015 Chevrolet Colorado 4x4 Extended Cab at a cost of \$29,139.08, including tax, and a 2016 Ford F250 4x4 Extended Cab at a cost of \$32,800.46, including tax, both from the State cooperative purchasing roster.

Following discussion, Anderson made a motion to authorize the purchase of the two new vehicles as requested by Staff at the identified costs. Martin seconded the motion, which carried unanimously.

Anderson made the motion to declare certain District vehicles surplus and to authorize their sale in accordance with State law by the adoption of Resolution No. 1826. Martin seconded the motion, which carried unanimously.

OPERATION CENTER ROOF

Commissioner Kunkel attended the meeting at 4:40 p.m.

Axt reported on the condition of the District's operation center roof. Staff had identified blistering in the roofing materials which was probably due to poor workmanship, and not materials failure. They had also obtained information that the 5 HVAC units serving the building were probably for a residential installation and that the building would be better served by 2 to 3 commercial HVAC units. They noted the two options regarding repairing the roof which were (1) covering the existing roof, or (2) installing a new roof base. Covering the existing roof would cost less, but installing a new roof base and roof would last longer. However, in either event, the existing HVAC units would have to be removed for roof installation and that might provide a good opportunity to replace the existing HVAC units with commercial units.

Following discussion, the Commissioners expressed their preference to install a new base roof in all areas of the building's roofing and to authorize and direct staff to obtain further information regarding the replacement of the existing residential HVAC units with commercial units; further, if the District proceeded with the project, it should probably be done in the Spring of 2016 unless circumstances required the work be performed sooner. Staff will now obtain further information regarding the roofing project and report back to the Board.

FCSG MULTIFAMILY RATE DESIGN REVIEW

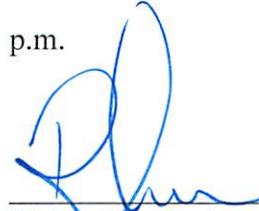
Staff reported on their investigation of the District's multifamily water and sewer service rates relative to both multifamily and retirement units. The District's rate consultant, FCSG, had

also reviewed those rates and discussed them with District staff. If the Board was inclined to adjust multifamily and retirement units, Russell advised the District could immediately adjust the multifamily/retirement unit sewer rate by foregoing the previously approved increase of 3.5%. The District could now forego that increase and freeze multifamily/retirement unit rates effective November 1, 2015. The District would then further review those rates during the next full rate study.

Following discussion, Kunkel made the motion to freeze multifamily/retirement unit sewer service base rates effective November 1, 2015, by the adoption of Resolution No. 1827. Anderson seconded the motion which carried unanimously.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 5:50 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner