

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

Held on January 13, 2016

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 January 13, 2016. 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.

APPROVAL OF AGENDA

Anderson made the motion to approve the agenda as amended to include the oath of office for Commissioner Kunkel before other agenda items. Kunkel seconded the motion, which carried unanimously.

OATH OF OFFICE

Commissioner Kunkel was reelected to Commissioner Position No. 3 at the last general election to serve a six year term commencing January 1, 2016. Milne then administered Kunkel the oath of office.

CONSENT AGENDA

Approval of minutes – Regular Board Meeting of December 9, 2015.

Anderson made a motion to approve the December 9, 2015 Board meeting minutes. Martin seconded the motion, which carried by a vote of 2-0, Kunkel abstaining due to his excused absence from the meeting.

Approval of minutes – Special Board Meeting of December 23, 2015.

Anderson made a motion to approve the December 23, 2015 Board meeting minutes.

Martin seconded the motion, which carried unanimously.

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizens in attendance.

ELECTION OF OFFICERS - 2016

By unanimous ballot, the following Board officer positions were approved for 2016:

President – Commissioner Kunkel

Vice President – Commissioner Anderson

Secretary – Commissioner Martin

Commissioner Kunkel then presided over the remainder of the Board meeting.

2016 GFC & LFC STUDY

Russell advised that PACE Engineers had provided the District with a study on the District's water and sewer general facility and local facility connection charges. The study recommended the charges be updated and adjusted. Russell provided the commissioners with copies of the study and recommended the Board schedule a public hearing to receive public comment on the connection charge adjustments before the Board considered taking action on the proposed adjustments. Following discussion, the Board determined to schedule a public hearing on the proposed adjustment of the charges to be held at the District Office on Wednesday, February 10, 2016, commencing at 5:30 p.m. or as soon thereafter as can be heard.

SNO-KING 2016 CONTRIBUTION

Russel recommended the District continue its membership in the Sno-King Water District Coalition. The primary purpose of the organization was to seek favorable legislation for district ratepayers. The District's membership contribution for 2016 was \$4,000.

Russell advised the Coalition had retained Milne to advise whether the organization should comply with the Open Public Meetings Act (Act) in its procedures. Milne advised the organization may be the functional equivalent of a public agency, and therefore he recommended the organization comply with the Act. Milne advised the organization already functionally complied with many of the requirements of the Act, including meeting notices, a meeting agenda, and the preparation of meeting minutes. Russell advised that the Sno-King membership had discussed the concept at the January 11, 2016, membership meeting. The membership was inclined to formally comply with the Act's requirements, but had asked each member representative to obtain direction from their respective district for further consideration at the next Sno-King meeting scheduled for February 8, 2016.

Following discussion, Martin made the motion to approve payment of the Sno-King membership contribution for 2016 in the amount of \$4,000. Anderson seconded the motion, which carried unanimously.

Following further discussion, Anderson made the motion to authorize the District's Sno-King representative at the next Sno-King meeting to support the position that Sno-King formally comply with the requirements of the Open Public Meetings Act in its proceedings. Martin seconded the motion, which carried unanimously.

440 RESERVOIR PAINTING – BID AWARD

Hutley reported as set forth in a letter dated January 8, 2016, to the District that bids had been received for the 440 Reservoir Recoating project. He advised that Simpson Sandblasting and Special Coatings (Simpson) had submitted the low bid of \$1,106,377.05, including tax. He advised that the Engineer's Estimate was \$1,845,075, including tax. He stated he had checked Simpson's references, the references were satisfactory, and he was satisfied with their bid.

However, he advised that Simpson's bid included a minor irregularity that could potentially deem the bid unresponsive because Simpson had failed to acknowledge receipt of Addendum No. 2 in their bid. That Addendum had clarified minor cost items which were likely less than \$5,000. Hutley felt the irregularity was minor and could be waived. Therefore, he recommended the project contract be awarded to Simpson as the lowest responsive responsible bidder for the amount of \$1,106,377.05, including tax.

Milne then requested an executive session pursuant to RCW 42.30.110(1)(i) to discuss the irregularity in Simpson's bid because, depending on the Board's determination whether the irregularity was minor or material, that determination could potentially involve the District in litigation. Following discussion, Anderson so moved on that basis. Martin seconded the motion, which carried unanimously. Before convening the executive session at 5:40 p.m., Kunkel advised the executive session would conclude at approximately 5:50 p.m. The Commissioners, Russell, Hynek, Hutley and Milne then attended the executive session. At 5:50 p.m., the executive session concluded and open public meeting reconvened.

Following discussion, Anderson made a motion to waive the irregularity in the Simpson bid as minor regarding Simpson's failure to acknowledge Addendum No. 2. Martin seconded the motion, which carried unanimously.

Following discussion, Martin made the motion to award the project contract to Simpson as the lowest responsive responsible bidder in the amount of \$1,106,377.05, including tax. Anderson seconded the motion, which carried unanimously. The engineer and staff were then authorized and direct to provide notice of award of the project contract to Simpson and to provide Simpson with notice to proceed with the work when the engineer and staff felt was appropriate.

COMMITTEE ASSIGNMENTS

The Commissioners discussed committee assignments for 2016 as follows:

1. Martin will continue as the District's representative to the Seattle Operating Board.
2. District employee Steve Moye will continue to serve as the District's primary representative to MWPAAC, and all commissioners will continue to serve as alternates to MWPAAC.
3. Anderson will continue to serve as the primary representative to Sno-King and Russell will continue to serve as alternate.
4. Russell will continue to serve as the District's representative to the Retrospective Rating committee.
5. Anderson will continue to attend the following WASWD committees: government relations, golf, conference and training, technology and emergency preparedness.
6. Martin will continue to serve on and attend the following WASWD committees and boards: the Board of Directors, finance, government relations, retrospective rating, conference and training, and scholarship.

Following discussion, Anderson made the motion to confirm the stated assignments and representations. Martin seconded the motion, which carried unanimously.

SURPLUS PERSONAL PROPERTY

Russell reported certain District personal property was not and will not be needed, and therefore should be disposed of as surplus to the District's needs. Following discussion, Anderson so moved by the adoption of Resolution No. 1828. Martin seconded the motion, which carried unanimously.

WASART MOBILE ANIMAL SHELTER

The Commissioners discussed the request to keep a trailer and possibly a vehicle related to emergency response and rescue for animal care. Given concerns regarding District site security, liability potential and maintaining such equipment on-site was not consistent with the District's mission and functions, the Board by consensus determined to decline the request. Russell will advise WASART accordingly.

ATTORNEY'S COMMENTS

There were no attorney comments.

ENGINEER'S COMMENTS

Hutley provided the Commissioners with an update on the status of various District engineering projects by report dated January 13, 2016.

OPERATIONS MANAGER'S COMMENTS

Hynek reported the completion of a District inventory had gone well.

Hynek reported that telemetry for nine of the District's ten stations was completed.

Hynek reported that TruePoint would be provided staff training the following week for system integration.

GENERAL MANAGER'S COMMENTS

Russell reported the District co-owned an "easement roller" with Valley View Sewer District and Southwest Suburban Sewer District. He advised that Midway Sewer District was interested in leasing the equipment approximately every four to five years, and when the District had approved the co-ownership of the equipment by Resolution No. 1681 in 2006, the districts had anticipated leasing the equipment to other districts. He advised a lease had been prepared

and that he would now provide Coal Creek's consent to the lease of the equipment to Midway pursuant to the ownership agreement.

COMMISSIONERS' COMMENTS

Anderson reported he had attended the most recent Sno-King meeting with Russell.

Anderson reported he had attended the most recent emergency preparedness committee meeting. He advised a webinar on cybersecurity was scheduled for February 9, 2016.

Anderson felt the December 23, 2015, employee recognition lunch had gone well and he commended all District staff for their dedication and professionalism.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 044124 through 044170 in the amount of \$290,905.03.

The Board approved for payment Capital Improvement Fund Voucher No. 044171 through 044173 in the amount of \$62,729.32.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010932 through 010955 in the amount of \$113,398.38.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010956 through 010967 in the amount of \$11,850.00.

ADDITIONAL CITIZENS' COMMENTS

There were no additional citizen comments.

EXECUTIVE SESSION – TO REVIEW THE PERFORMANCE OF PUBLIC EMPLOYEES

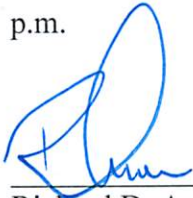
Russell requested an executive session pursuant to RCW 42.30.110(1)(g) to review the performance of certain District staff. Following discussion, Anderson so moved on that basis.

Martin seconded the motion, which carried unanimously. Before convening the executive session at 6:25 p.m., Kunkel advised the executive session would be concluded at approximately 6:45 p.m. The Commissioners, Russell, Hynek and Milne then attended the executive session. At 6:45 p.m., the executive session was extended to 7:15 p.m., which was publicly announced. At 7:15 p.m., the executive session concluded and open public meeting reconvened.

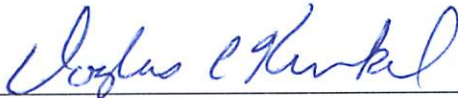
Following discussion, Martin made the motion that (1) District office employee Tish Hunter's salary be adjusted and increased by 7.8% percent effective January 1, 2016, (2) all District office staff receive a 0.9 percent COLA salary adjustment effective January 1, 2016, and (3) Russell be directed to update the employee manual applicable to the District's non-union employees for further Board consideration. 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 7:30 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel



Pamela A. Martin, Commissioner