

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

Held on February 10, 2017

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 February 10, 2017. Commissioner Ric Anderson, Board President, called the meeting to order at 1:00 p.m. Commissioner Pamela 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 Tish Hunter, Finance Manager, were present. John Milne, general counsel, was also present.

APPROVAL OF AGENDA

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

EMPLOYEE MANUAL

Russell advised the Board of Commissioners had previously approved an employee manual for non-union District employees. The District field employees are represented by the Communications Workers of America (CWA) through a collective bargaining agreement (CBA). The CBA has a term of January 1, 2015, through December 31, 2017. Russell advised it has been Board policy, following the approval of a new CBA with the represented employees, to update the employee manual applicable to non-union employees as appropriate. His goal is to update the employee manual during the course of the year to be consistent with applicable terms and conditions in the new CBA which would be effective January 1, 2018, if approved by the CWA

and the Board of Commissioners by that date. Future updates of the employee manual would then follow every three years in coordination with future CBAs. Management staff and the commissioners then reviewed various provisions of the current employment manual.

With respect to the provision in the employee manual entitled “Health and Welfare”, Staff reported the provision provided that the District would pay up to \$1,800 per month for each eligible employee toward the purchase of the listed insurance programs. However, the current CBA provided the District would pay the amount up to \$1,800 per month for represented employees towards the purchase of the listed insurance programs, but then, effective January 1, 2016, would pay up to \$1,900 per month, and then, effective January 1, 2017, would pay up to \$2,000 per month. Staff advised that, because of the Board policy to provide the same benefits to non-union employees that union employees received, the District had increased the monthly payment for non-union employees in the same amount the District paid for union employees. Therefore, Staff requested the Board ratify and confirm that policy for the payments up to the stated amounts for non-union employees. Following discussion, Commissioner Kunkel made the motion to ratify, confirm and approve the monthly insurance payments for eligible non-union employees in the same amount amounts paid for union employees. Commissioner Martin seconded the motion, which carried unanimously.

Following further discussion, the Board authorized and directed management staff to survey other districts to determine what medical insurance amounts, deductibles and co-pays other districts provided to employees and to report back to the Board.

Staff also addressed the District policy to make a contribution at the lowest amount for eligible employees for medical insurance costs if employees elected not to receive the insurance coverage; in that event a contribution was made to the employee’s personal VEBA account.

Consistent with state law, District commissioners also receive the same contribution if they elect not to receive the District's insurance coverage. However, as the minimum contribution for employees may have increased in the past few years, the minimum contribution for commissioners may not have been adjusted accordingly. Staff will review the matter and report back to the Board.

Russell advised he would be reviewing the family medical leave and domestic violence leave policies in the existing employee manual and would report further to the Board with recommendations regarding the modification of those policies.

Russell advised he would be reviewing the "Attire and Grooming" policy with respect to the provision of District logo clothing for non-union employees and would make further recommendations regarding the modification of that policy.

Russell noted the sections entitled "Use of District Property", "Use of District Vehicles" and "Secondary Employment" were under review and he would make further recommendations regarding the modification of those policies.

With respect to the "Communications Strategy", Russell noted the District was not yet using Twitter. He also noted the District's Facebook page was moderated by himself as the page administrator and other assigned District staff. He noted it was acceptable for commissioners to propose posts to the District's Facebook, but the proposed posts should be submitted to him for review and inclusion on Facebook. However, Russell noted that commissioners could comment on the District's Facebook as appropriate, without going through the District's administrator. Milne noted commissioners should not engage in dialogue through comments with other commissioners on the District's Facebook to avoid implicating the Open Public Meetings Act.

Russell will provide the commissioners with further information regarding proposed revisions to the employee manual as the year progresses in anticipation of the negotiation and

approval of a new CBA to be effective January 1, 2018. Following the negotiation and approval of a new CBA for union staff, he will then request that the Board consider adopting an updated employee manual to be consistent where appropriate with the provisions of the new CBA.

CREDIT CARD POLICY

Russell recommended the District's policies regarding the issuance and use of District credit cards be updated and revised. Specifically, the auditors had requested the District restate credit limits on District credit cards and include a policy prohibiting cash advances on District credit cards. Russell provided the commissioners with a proposed resolution revising and establishing policies and procedures for the issuance of District credit cards to District commissioners and employees which had been prepared by District staff and counsel.

Following discussion, Commissioner Kunkel made the motion to approved revised credit card policies by the adoption of Resolution No. 1843. Commissioner Martin seconded the motion, which carried unanimously.

LONG TERM METER REPLACEMENT PROGRAM

Mr. Martin advised the District presently had 3,860 metered water connections. The District had previously determined to replace approximately 71 meters on an annual basis. Newer meters will help streamline and reduce costs associated with meter operation and maintenance. District customers will also benefit from more accurate billing and detailed information on water consumption due to higher meter accuracy and compatibility with on demand data systems to share real-time information. He advised approximately 3,000 residential meters still needed to be replaced and recommended the District accelerate meter replacement to 900 meters per year, with an attendant cost of approximately \$350 per meter. If the Board authorized the accelerated replacement program, a determination of which meters to replace would be made at the route level

in coordination with District office staff. For example, certain older meters would be replaced first. Russell advised funding for an accelerated meter replacement program had been included in the budget.

Following discussion, Commissioner Martin made the motion to authorize District staff to proceed with an accelerated meter replacement program to replace approximately 900 meters per year until the replacement program was completed. Commissioner Kunkel seconded the motion, which carried unanimously.

ACCESSORY DWELLING UNITS

Russell, reported that District staff were reviewing the application of the District's accessory dwelling unit policy with the expectation he would probably recommend the policy be revised. The District's current policy, as set forth in Resolution No. 84, required that each single family dwelling unit have its own water meter and be served by its own side sewer. A District general facility connection charge must be paid for each meter and side sewer connection. If an accessory dwelling unit (ADU) authorized under the land use jurisdiction's land use code was developed on the property with a single family residence with a water meter and side sewer connection, District policy required the ADU be served by a separate water meter and side sewer, and the property owner must also pay additional water and sewer connection charges for the ADU.

However, several utilities were revising their ADU policies to not require an additional side sewer for an ADU and to not require the payment of additional connection charges for ADUs under a specified maximum square footage or a combined plumbing fixture count for a residence and an ADU on a property under a specified limit in the plumbing code. The separate residence and ADU may have separate water meters but only one connection charge would be owing, and could share a side sewer. The theory to justify the policy change was that, under certain

circumstances, ADUs may not make additional demand on the utility's water and sewer system to justify the additional facilities and connection charges.

There are various issues regarding the potential revision of the District's current policy regarding ADUs, but Russell requested Board direction to further study the matter. Following discussion, the Commissioners indicated they would consider changing the District's ADU policy based on staff recommendation. Staff will further review the matter and will report back to the Board at a future meeting.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1411 through 1447 in the amount of \$254,225.01.

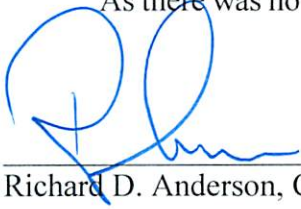
The Board approved for payment Capital Improvement Funder Voucher No. 5 in the amount of \$164,999.19.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$123,076.17.

OTHER DISTRICT BUSINESS

Hunter reminded the commissioners to let her know if they wanted to be registered for the State Association Spring Conference in Yakima which will be held April 12 – 15, 2017, and if they needed a hotel room. Thus far Commissioner Martin and Hunter will attend.

As there was no further business or persons to be heard, the meeting concluded at 4:32 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner