

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

**Held February 12, 2014**

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 February 12, 2014. Commissioner Anderson called the meeting to order at 5:00 p.m. Commissioners Kunkel and Martin were present. District Management Staff Robert Russell, Todd Hynek, and Pam Nelson were present. John Milne, General Counsel and Dave Hutley, Consulting Engineer, were also present.

**CITIZENS' COMMENTS AND CONCERNS**

There were no citizens in attendance.

**CONSENT AGENDA**

Approval of minutes – regular Board meeting of January 22, 2014

Approval of minutes – special Board meeting of February 5, 2014

Lawrence Park DEA – water and sewer extension final acceptance.

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

**NEWCASTLE CHAMBER OF COMMERCE MEMBERSHIP**

Russell requested direction whether to renew the District's membership in the Newcastle Chamber of Commerce. Kunkel, the District's representative to that organization, felt participation in the organization was beneficial to the District. Following discussion, Martin made the motion to renew the District's annual membership at a cost of \$300.00. Kunkel seconded the motion, which carried unanimously.

## **UTILITY SERVICE CHARGE RATE RELIEF**

Nelson advised regarding the District's current program to provide utility service rate relief to low income customers and customers with disabilities. She advised that the District's current eligibility requirements were annual income for one person not exceeding \$31,500 and \$35,000 for two persons. She advised, based on the results of her survey of neighboring utilities, the average annual income limit for one person was \$32,800 and the average annual limit for two persons was \$35,000. Following discussion, Martin made the motion to revise the District's income eligibility limits to be \$32,800 for one person and \$35,000 for two people effective immediately by the adoption of Resolution No. 1790. Kunkel seconded the motion, which carried unanimously. Staff will present a resolution to that effect for signature at the next regular meeting.

## **SURPLUS PROPERTY**

Hynek advised that certain District furniture was no longer needed and requested authorization to dispose of the furniture as surplus. He advised the furniture had an estimated value of less than \$2,500. Following discussion, Kunkel made the motion to declare the property surplus to the District's needs and to authorize and direct District Staff to dispose of the property at private or public sale by the adoption of Resolution No. 1791. Martin seconded the motion, which carried unanimously. The Commissioners suggested District Staff make the property available for purchase to other water-sewer districts through the Washington State Association of Sewer and Water Districts.

## **ATTORNEY'S COMMENTS**

Milne reported on a recent appellate case involving a water-sewer district, a developer and a bank. The bank had attempted to assert ownership to a district sewer lift station in a deed foreclosure action, or, alternatively, the bank sought to obtain the proceeds of a latecomer

agreement between the District and the developer, which had installed the facilities. The Court had ruled the bank had no ownership interest in the facilities and was not entitled to the latecomer payments.

### **ENGINEER'S COMMENTS**

Hutley reported to the Commissioners regarding the status of various district engineering projects by memo dated February 12, 2014.

### **OFFICE MANAGER'S COMMENTS**

Nelson reported the audit of the District by the Washington State Auditor's Office was proceeding.

### **OPERATIONS MANAGER'S COMMENTS**

Hynek reported on the status of various developer extension projects.

### **GENERAL MANAGER'S COMMENTS**

Russell reported the District received a letter of intent from the City of Newcastle to purchase the District's former operations center. He stated the District has special counsel to advise the District regarding the matter and recommended the Board now meet with special counsel to discuss the City's proposal. Following discussion, the Board authorized the General Manager to invite the attorney to attend the next regular Board meeting to discuss the matter with Board.

Russell recommended the District have its financial consultant, FCS Group, prepare and update the District's revenue requirements for the time period 2015 to 2018. Following discussion, the Board authorized Russell to obtain a scope of work and fee proposal from FCSG for the consideration by the Board.

Russell advised the collective bargaining agreement with District field employees will expire at the end of 2014. Therefore, he recommended that the District undertake a

comprehensive compensation survey to better understand industry compensation levels. Following discussion, the Board authorized the General Manager to obtain proposals from consultants to undertake a study and to report back to the Board.

### **COMMISSIONERS' COMMENTS**

Martin reported on her attendance at the recent State Association Commissioners' Workshop.

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

Kunkel reported on his attendance at the most recent Newcastle Chamber of Commerce meeting. He advised that the next Chamber event will be held on February 20. He also advised the next Chamber breakfast will be held on February 26, and the next Chamber Board meeting will be held on March 12.

Anderson reported on his attendance at the most recent Sno-King Water Alliance meeting.

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

### **APPROVAL OF VOUCHERS**

The Board approved for payment Water/Sewer Maintenance Fund Voucher numbers 042525 through 042558 in the amount of \$280,549.83.

The Board approved for payment Capital Improvement Fund number 042559 in the amount of \$31,268.72.

The Board approved for payment Water/Sewer Maintenance Fund Voucher numbers 010145 through 010157 in the amount of \$13,250.00.

## **ADDITIONAL CITIZENS' COMMENTS**

There were no citizens in attendance.

## **EXECUTIVE SESSION – EMPLOYEE PERFORMANCE REVIEW**

Russell requested an Executive Session pursuant to RCW 42.30.110(1)(g) to review the performance of the District's five non-union employees and to discuss the status of management employment contracts. Following discussion, Kunkel so moved on that basis. Martin seconded the motion, which carried unanimously. Before convening the Executing Session at 5:55 p.m., Anderson advised the Executive Session would be concluded at approximately 6:25 p.m. The Commissioners, Russell, and Milne then attended the Executive Session. At 6:25 p.m., the Executive Session was extended until 6:55 p.m., which was publicly announced. Milne then left the Executive Session. At 6:55 p.m., the Executive Session was concluded and open public meeting was reconvened.

Following discussion, based on the Board's performance review of the General Manager and because his current salary was significantly less than the mean and median salaries of general managers for other comparable districts, Kunkel made the motion to adjust the General Manager's annual salary by 6.6% effective January 1, 2014. Martin seconded the motion, which was carried unanimously. Kunkel noted the General Manager's salary, as adjusted, was still below the mean and median of comparable General Managers salaries but is now closer to those levels.

Based on the performance review of the Office Manager, Kunkel made the motion to approve a cost of living increase to the Office Manager's annual compensation of 1.2% effective January 1, 2014. Martin seconded the motion, which was carried unanimously. Kunkel noted the Office Manager was compensated at a level consistent for her position at other comparable districts.

Based on the performance review of the Operations Manager and because his current salary is significantly less than the salaries of other comparable districts, Kunkel made the motion to adjust the Operations Manager's annual compensation by 13.05% effective January 1, 2014. Martin seconded the motion, which was carried unanimously. Kunkel noted the Operations Manager's salary, as adjusted, would now be comparable to other districts with employees with similar experience.

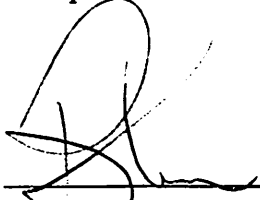
Based on the performance review of the two office employees who report to the Office Manager, Kunkel made the motion to approve a cost of living increase to their annual compensation of 1.2% effective January 1, 2014. Martin seconded the motion, which was carried unanimously.

The Board then authorized and directed the General Manager to prepare for Board consideration at the next regular meeting employment contracts for District management staff for the year 2014 with updated compensation consistent with the Board's determinations.

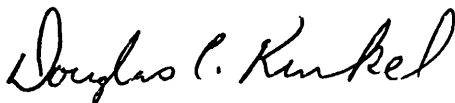
**OTHER DISTRICT BUSINESS**

As there was not further business or persons to be heard, the meeting was concluded at

7:05 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner