

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

**Held February 26, 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 26, 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, was also present.

**CONSENT AGENDA**

Approval of minutes – regular Board meeting of January 22, 2014 (corrected)

Approval of minutes – regular Board meeting of February 12, 2014

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

**CITIZENS' COMMENTS AND CONCERNS**

There were no comments from the citizens in attendance.

**UTILITY SERVICE CHARGE RATE RELIEF**

Nelson advised the Board had adopted Resolution No. 1790 at the February 12, 2014 meeting establishing the District's income eligibility limits of \$32,800 for one person and \$35,000 for two people. However, Nelson advised she had incorrectly reported the District's prior income eligibility requirements which were \$32,287 for a single person and \$35,872 for a married persons or co-tenants. Given that information, Nelson asked if the Board desired to reconsider the action taken to revise the income limits as adopted in Resolution No. 1790. However, as the \$32,800 limit for one person and \$35,000 for married persons or co-tenants were consistent with the eligibility requirements for adjacent utilities, the Board determined to

confirm the adoption of Resolution No. 1790. The Commissioners then signed that resolution which will now be implemented by District Staff.

### **SURPLUS PROPERTY**

The Commissioners signed Resolution No. 1791 surplusizing certain District furniture which was adopted by the Board at the February 12, 2014 Board meeting.

### **MANAGEMENT CONTRACTS**

In December 2013, the Board approved employment agreements for District management staff effective January 1, 2014. However, the Board had deferred a determination of salary compensation for 2014 subject to the completion of performance reviews. Once the performance reviews were completed, the Board would establish salary compensation for 2014 to be effective January 1, 2014. Russell reported the performance reviews of management staff have been concluded, and the Board had made salary determinations for 2014 at the February 12, 2014 meeting. Therefore, employment agreements for management staff could now be finalized and signed. Following discussion, Martin made the motion to ratify and approve the employment agreements with an effective date of January 1, 2014 as previously determined by the Board. Kunkel seconded the motion which carried unanimously. The employment agreements for the General Manager, Office Manager, and Operations Manager were then signed by the respective employee and the Board President on behalf of the District.

### **EMPLOYMENT EXPECTATIONS**

District Employee Patty Shank, the Office Manager Assistant, addressed the Board with concerns regarding her employment feeling there was no formal performance review process, no formal training, and the District needed better technology systems. Further, because she felt she had not received a merit increase for at least two years, she now deserved one based on her good job performance. However, she stated she had been told by District management staff she was

already adequately compensated at the industry average for her position. She then had questions for the Board regarding her compensation and performance review.

Milne recommended the Board take her questions under advisement for discussion with the General Manager to determine whether a response was warranted, and if so, what the response may be. The Commissioners concurred.

However, Anderson requested Shank identify what salary increase she was requesting, noting the Board had recently approved a cost of living increase in her salary effective January 1, 2014. She then advised she felt she was entitled to a 5% merit increase.

Martin stated she felt Shank should consider her total compensation package because the District also provided exceptional health, vision, retirement and other benefits, in addition to her salary compensation.

#### **ATTORNEY'S COMMENTS**

Milne reported ESSB 6008 had not been voted out of the House Local Government Committee and therefore it was effectively dead for this legislative session. The legislation would have required voter approval of contested assumptions of water-sewer districts by cities. The bill had passed the Senate by a vote of 37 to 10. He advised the State Association would probably make a presentation on the Legislation at the Spring Conference.

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

Nelson requested the Commissioners advise whether she should register them for the State Association Spring Conference.

Nelson advised the audit of the District for the year 2012 by representatives from the State Auditor's Office was progressing and the auditor had identified the date of March 26, 2014 for an exit conference. She will provide the Board with further information.

**OPERATIONS MANAGERS COMMENTS**

Hynek advised District Staff had replaced various security cameras at the District Office at a cost of less than \$800.00.

**GENERAL MANAGER'S COMMENTS**

Russell advised District Staff had undertaken a statement of qualifications (SOQ) process to identify an engineering consultant to perform general consulting services for the District when the District's primary engineering consultant, PACE Engineers, had a conflict or was otherwise unable to assist the District with engineering work. Staff had identified the engineering firm of Stantec and will now proceed to negotiate an agreement with that firm with a scope of work and cost proposal for Board consideration. Following discussion, the Board authorized Staff to proceed as proposed.

**COMMISSIONER'S COMMENTS**

Martin reported on her attendance at the most recent State Association Strategic Planning Committee meeting.

Kunkel reported on his attendance at the most recent Newcastle Chamber of Commerce Board meeting.

Anderson reported on his attendance at the most recent State Association Government Relations Committee meeting.

Anderson reported on his attendance at the most recent State Association Conference and Training Committee meeting.

**APPROVAL OF VOUCHERS**

The Board approved for payment Water/Sewer Maintenance Fund Voucher numbers 042560 through 042586 in the amount of \$51,212.80.

## **ADDITIONAL CITIZENS' COMMENTS**

There were no comments from the 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 a District employee. Following discussion, Kunkel so moved on that basis. Martin seconded the motion, which carried unanimously. Before convening the Executive Session at 5:55 p.m., Anderson advised that the Executive Session would be concluded at approximately 6:15 p.m. The Commissioners, Russell, and Milne then attended the Executive Session. At 6:15 p.m., the Executive Session was extended until 6:25 p.m., which was publicly announced. The Commissioners, Russell, Nelson and Milne then attended the Executive Session. At 6:25 p.m., the Executive Session concluded and open public meeting was reconvened.

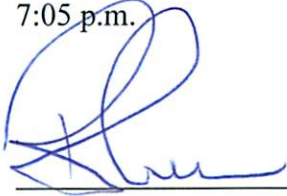
## **EXECUTIVE SESSION - SALE OF REAL PROPERTY**

Russell requested an Executive Session pursuant to RCW 42.30.110(1)(c) to discuss the price at which District real estate may be offered for sale. Following discussion, Kunkel so moved on that basis. Martin seconded the motion, which carried unanimously. Before convening the Executive Session at 6:30 p.m., Anderson advised the Executive Session would be concluded at approximately 7:00 p.m. Milne was then excused from the meeting. The Commissioners, Russell, Nelson, Hynek, and Special Counsel Andrew Maron attended the Executive Session. At 7:00 p.m., the Executive Session was concluded and open public meeting was reconvened.

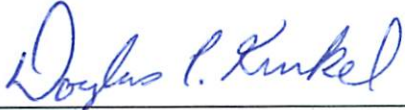
**OTHER DISTRICT BUSINESS**

As there was no 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