

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

Held on March 22, 2017

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 March 22, 2017. Commissioner Ric Anderson, Board President, called the meeting to order at 5:00 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. Dave Hutley, consulting engineer, and John Milne, general counsel, were also present.

APPROVAL OF AGENDA

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

CONSENT AGENDA

Approval of minutes – Regular Board Meeting of March 8, 2017

Aldea at Newcastle – Water and Sewer – DEA Approval

The Shops at Newcastle Commons – Water and Sewer – DEA Approval

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

CITIZENS' COMMENTS / CONCERNS

Gordon Bisset, a City of Newcastle City Councilmember, advised that the Newcastle City Council in a recent budget meeting had determined to fund the conversion of certain street lights located within the City to LED lighting.

ACCESSORY DWELLING UNIT DISCUSSION

Russell presented the results of a survey conducted by Hutley of the policies of other water-sewer districts and cities regarding accessory dwelling units (ADU) in areas zoned for single family residences. Several of the entities charge a full water and sewer connection charge for the ADU, but others charge less such as 0.81, 0.70, and 0.50 of a full connection charge. He advised the City of Newcastle allowed ADUs if all conditions of the applicable land use code requirements were satisfied. He advised he would discuss the matter with City staff, conduct more research on the issue, and report further to the Board at a future meeting.

SURPLUS PROPERTY

Russell recommended certain metal parts such as hydrants, cast iron and other heavy metals be sold as surplus because they were no longer needed by the District. Following discussion, Commissioner Kunkel so moved by the adoption of Resolution No. 1845. Commissioner Martin seconded the motion, which carried unanimously.

CELL PHONE POLICY

Russell recommended the District update its cell phone policy to reflect comments and recommendations from the State Auditor's Office. He advised the updated resolution will bring the policy up to date with current technology (smart phones) and the need to protect the investment. Following discussion, Commissioner Martin made the motion to approve revising policies and procedures regarding District-provided cell phones and telephone service by the adoption of

Resolution No. 1846. Commissioner Kunkel seconded the motion, which carried unanimously. Russell advised that all District employees and commissioners utilizing the District's cellular plan would now be required to sign a new cell phone agreement.

FCSG RATE STUDY PROPOSAL

Russell requested Board direction regarding the proposal submitted by FCSG, the District's rate consultant, to prepare a comprehensive water and sewer utility revenue requirement update. The study would assist the District to establish utility service rates for the years 2018, 2019, and 2020. Following discussion, the Board directed Russell to obtain additional information from FCSG regarding the proposal and to report back to the Board.

ATTORNEY'S COMMENTS

Milne reported on the efforts of a group of King County water-sewer districts, in conjunction with the Washington Association of Sewer and Water Districts (WASWD) in opposition to King County's recent adoption of an ordinance increasing the costs to obtain a franchise for utilities located in King County right-of-way, including a "rental fee" for the use of the right-of-way. Many districts opposed the "rental fee", and Milne advised there were strong legal arguments the County lacked authority to impose such a charge. Milne advised a public records request had been issued to King County to obtain more information regarding the franchise ordinance and the "rental fee" by his office, and that individual districts were also sending their own public records request to the County. He will keep the Board further advised.

ENGINEER'S COMMENTS

Hutley reported he now planned to send a letter to the contractor on the 440 Reservoir Recoating project requesting a completion schedule. The recoating project was supposed to be finished in the Fall of 2016, but the contractor had failed to diligently pursue the work and had

not been able to complete the project when the Fall temperatures were cooler and precipitation increased. He will obtain Milne's comments on the letter before transmittal.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1503 through 1537 in the amount of \$94,333.98.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$12,400.00.

FINANCE MANAGER'S COMMENTS

Ms. Hunter reported she had confirmed from the September 12, 2012, Board meeting minutes that, when an employee or commissioner "opts out" of the District's insurance coverage, the Board had authorized a contribution to an "opting out" employee's or commissioner's HRA VEBA account on a monthly basis in the amount of the health insurance premium for a single District insurance subscriber. Because District Staff had not adjusted the contribution amount since the contribution policy was adopted, Hunter had calculated the amount owing to the three individuals in the "opt out" category and will now make an additional contribution to the individual HRA VEBA accounts of the individuals qualifying for the contribution. The total amount of the additional contribution owing was \$640.93.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported the District was working with City of Newcastle staff on the City's 129th sidewalk project, and would abandon a hydrant in the area which conflicted with the City's work but was redundant to the area.

GENERAL MANAGER'S COMMENTS

Russell advised he had scheduled Jim Kuntz, the Executive Director of the Washington Association of Sewer and Water Districts, to address the Board at the April 26, 2017, regular Board meeting.

Russell advised he had requested the District's HR consultant to submit a proposal to prepare a wage and benefit study. Commissioner Martin requested the District provide each employee with a complete wage and benefits report for their respective position and compensation for their information. The Board will further consider her proposal after the study is completed.

COMMISSIONERS' COMMENTS

Commissioner Martin reported on her attendance at the recent State Association Government Relations Committee meeting.

Commissioner Martin reported on her attendance at the recent SPU Conservation Technology Forum Landscape Committee meeting.

Commissioner Anderson reported on his attendance at the recent State Association Technology Committee meeting.

Commissioner Kunkel advised he planned to attend the State Association Spring Conference to be held in Yakima in April, 2017. Commissioner Martin advised she also planned to attend the Conference. Commissioner Anderson will confirm with District staff whether he will attend the Conference. He advised the Conference would conclude on Friday, April 14 at Noon. Commissioner Martin advised she intended to stay the night of April 14 at the Conference because she would not be able to check out of her hotel room in time if the Conference ended at Noon. She advised her medical conditions did not allow her to quickly check out of her hotel room if the check-out time was Noon or 1:00, without accommodation. Following discussion, the Board

directed staff to determine whether a later check-out time could be obtained for Commissioner Martin. The Board also determined to revisit the District's travel and conference attendance policy at a future meeting.

ADDITIONAL CITIZEN'S COMMENTS

There were no additional comments from the citizen in attendance.

EXECUTIVE SESSION

Russell requested an executive session pursuant to RCW 42.30.110(1) (g) to review the performance of certain District employees. On motion made, seconded and carried unanimously, Commissioner Anderson convened an executive session on that basis. Before convening the executive session at 6:05 p.m., he advised the executive session would be concluded at 6:35 p.m. The commissioners, Russell, Hunter, Mr. Martin, and Milne then attended the executive session. At 6:35 p.m., the executive session was extended to 6:55 p.m., which was publicly announced. At 6:55 p.m., the executive session was concluded, and open public meeting was reconvened.

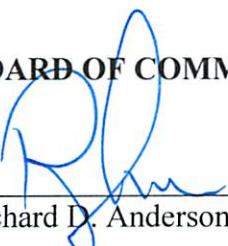
Russell then requested authorization to discuss a "9/80" work schedule with District office staff, and if office staff were interested in the proposed schedule, Russell was authorized to try the schedule on a trial basis. However, the commissioners were concerned about coverage in the office for the benefit of District customers, but were willing to authorize the revised schedule on a trial basis. Russell will keep the Board further advised.

OTHER DISTRICT BUSINESS

Commissioner Martin requested authorization to attend the American Water Works Association National Conference to be held in Philadelphia, PA, June 10-15, 2017. Following discussion, Commissioner Kunkel so moved. Commissioner Anderson seconded the motion, which carried unanimously.

As there was no further business or persons to be heard, the meeting concluded at 7:00 p.m.

BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner