

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

Held March 25, 2015

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 25, 2015. 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. John Milne, General Counsel, was also present.

CONSENT AGENDA

Approval of minutes - Regular Board Meeting of March 11, 2015.

Aegis Gardens of Newcastle Water and Sewer Developer Extension Agreement –
execution

Anderson made the 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.

2013 WATER AND SEWER COMPREHENSIVE PLAN

Russell advised that all state agencies with jurisdiction, King County and city approvals had been obtained for the District's 2013 Water and Sewer Comprehensive Plan (Plan). Therefore, he recommended the Board adopt a resolution approving the final Plan. Following discussion, Anderson made the motion to adopt and approve the Plan by the adoption of Resolution No. 1814. Kunkel second the motion, which carried unanimously.

BELLEVUE WHEELING CHARGE

Hynek reported he had provided a proposal to City of Bellevue staff to resolve an issue regarding the water wheeling charge which was provided for in the interlocal agreement between the District and the City which was executed in the year 2002. The City had delayed in initiating a study to update the wheeling charge the City was required to pay the District and the new wheeling charge and was not agreed to until approximately October 1, 2013. However, the City contended the updated wheeling charge should be applied retroactively before that date. The District had responded that the interlocal agreement did provide for the retroactive application of the updated charge. District staff had provided a proposal to the City regarding when the updated wheeling charge should be effective to resolve the matter. Hynek reported the District's proposal was acceptable to Bellevue staff, that Bellevue staff would now work with city management to approve the proposal, and would then prepare an agreement to memorialize the resolution of the issue. District staff will keep the Board further advised.

USDA RURAL DEVELOPMENT LOAN

Russell reported he had obtained a proposal by letter dated March 9, 2015 from DA Davidson to provide placement agent services to the District to obtain bids from banks to refinance the District's USDA Rural Development Loan. The proposal outlined the services the consultant proposed to provide at a cost not to exceed \$2,500. Following discussion, Kunkel made the motion to approve the proposal and to authorize and direct Russell to sign the proposal on behalf of the District. Anderson seconded the motion, which carried unanimously. Russell will now work with the consultant to attempt to obtain refinancing for the RD Loan and keep the Board further advised.

OPERATIONS MANAGER

Hynek reported he had been working with David Skelton, on behalf of his father, Robert Skelton, who previously resided at 12210 SE 91st Street, Newcastle, WA. Robert Skelton had sold his property and the District had provided a final billing amount to close Skelton's utility account. However, although the residence was vacant, the account had registered additional water usage which may be attributable to a short-term leak. Hynek reported that Skelton had a thirty year good payment record with the District and proposed to apply the District's leak adjustment policy to the additional consumption. Anderson disclosed that he knew Skelton personally and knew him to be a person of good character and integrity. Hynek reported if the District's leak adjustment policy was applied to the matter, Skelton would owe an additional \$25 which he had offered to pay. Following discussion, Kunkel made the motion to apply the District's leak adjustment policy to the matter which would result in an additional \$25 charge to Skelton. Anderson seconded the motion which carried unanimously.

Hynek reported that District employee Curtis White had obtained his Water District Manager III certification.

Hynek reported that District employee Vince Gabrio served as the President of the SORT Safety Committee and had recently spoken at a SORT function on safety issues.

COMMISSIONERS COMMENTS

Anderson reported he had attended a State Association committee meeting on conferences and training. He reported the Commissioners' Workshop for Eastern Washington has been scheduled for July 9, 2015.

Anderson reported he had attended the recent State Association Technology Committee meeting.

Anderson reported he had attended the recent State Association Government Relations Committee meeting.

Kunkel commended District employee White for achieving his certification and commended Gabrio for his activities in SORT. The other Commissioners concurred.

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

Martin reported on her attendance at the most recent State Association Section IV meeting.

Martin reported on her attendance at the SPU Landscape Group meeting.

Martin reported on her attendance at the State Association Membership Group Committee meeting.

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

Martin advised she planned to attend the Water and Sewer Risk Management Pool Annual meeting to be held on March 26, 2015.

Martin advised the next Retrospective Rating Committee meeting would be held on Monday, March 30, 2015.

As discussed at recent Board meetings, Martin recommended the District now schedule a Board retreat. The other Commissioners concurred. Kunkel suggested that the Board retreat be held at the District offices. Anderson suggested the retreat be held at a venue outside of the area as it was his experience such retreats were more productive when there were fewer distractions. Further, the Board had not held a retreat outside of the area for many years. Following

discussion, the Board identified the tentative date of May 7 as the first day of the retreat, concluding the morning of May 9. Martin suggested the retreat be held at a conference facility in LaConner, Washington. Following discussion, the Board directed staff to obtain information regarding facilities available in LaConner for the retreat on those dates. The Commissioners will also further discuss retreat topics at the April 8 and April 22 Board meetings.

ADDITIONAL CITIZENS' COMMENTS

Gordon Bissett, a District customer, requested the Board not hold the retreat away from the District because of the additional expense to do so and because of the difficulties for citizens to attend the retreat if they were interested in doing so.

STREET LIGHTS – EXECUTIVE SESSION

Russell and Milne requested an executive session to discuss potential litigation relating to street light systems pursuant to RCW 42.30.110(1)(i). Following discussion, Kunkel so moved on that basis. Anderson seconded the motion which carried unanimously. Before convening the executive session at 5:50 p.m., Martin advised the executive session would be concluded at approximately 6:05 p.m. The Commissioners, Russell, Hynek and Milne then attended the executive session. At 6:05 p.m., the executive session was extended to 6:20 p.m., which was publicly announced. At 6:20 p.m., the executive session concluded and open public meeting reconvened.

Following discussion, the Board authorized and directed District staff to proceed with a study to update the District's administrative charge to bill street lighting costs on behalf of Puget Sound Energy. The Commissioners also indicated that following the completion of the study, they would consider the possible formation of a street lighting area, as proposed by the representatives of the Carpine Plat Homeowners Association. That matter had been discussed at

the Board's March 11, 2015 meeting. Staff will now advise the representatives of the Carpine Plat HOA of the District's course of action relative to street lights and their street lighting area request.

BOARD RETREAT (CONTINUED)

Anderson advised he had considered the comments of Mr. Bissett regarding not holding the Board retreat outside of the area of the District. Anderson was also concerned that, given District office staff was presently shorthanded, holding a Board retreat outside of the District area may also be burdensome for District staff. Therefore, he proposed the District hold the retreat at the District office to commence on Thursday, May 7 and to finish Friday, May 8. Following discussion, the other Commissioners concurred and the retreat agenda will be further discussed at Board meetings in April, 2015.

APPROVAL OF VOUCHERS

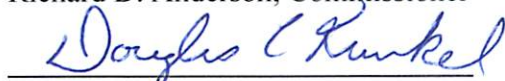
The Board approved for payment of Water/Sewer Maintenance Fund Voucher Nos. 043469 through 043507 in the amount of \$55,915.10.

OTHER DISTRICT BUSINESS

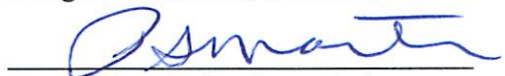
As there was no further business or persons to be heard, the meeting was concluded at 6:45 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner