

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

Held May 28, 2014

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 May 28, 2014. Commissioner Anderson called the meeting to order at 5:00 p.m. Commissioners Kunkel and Martin were present. District Staff Robert Russell, Todd Hynek and Pam Nelson were present. Dave Hutley, Consulting Engineer, and John Milne, General Counsel, were also present.

CONSENT AGENDA

Approval of minutes - Regular Board meeting of May 14, 2014.

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

CITIZENS' COMMENTS AND CONCERNS

There were no comments from the citizens in attendance.

LATECOMER REIMBURSEMENT AGREEMENT

Russell reported District Staff, the Engineer, and the Attorney had updated the District's policies and procedures regarding latecomer reimbursement agreements, including a revised reimbursement agreement form, revised policies and procedures and a draft resolution to adopt the new policies and procedures. The Board had previously determined to extend the latecomer period from 10 to 15 years, require developers applying for reimbursement agreements to pay all cost and expenses to prepare and process the reimbursement application and reimbursement payments, require a 20 percent District administrative charge to process latecomer payments, require a non-refundable payment of a \$3000 deposit to be submitted with an application for a

reimbursement agreement, and to require a public hearing to receive public comments from property owners potentially affected by a proposed reimbursement agreement. However, Russell requested the Board reconsider the requirement of a public hearing due to its costs for the additional process. He felt property owners affected by a proposed reimbursement could be notified by mail of the reimbursement application and given the opportunity to provide written comments to the District on the application by an identified deadline. The Board could then consider comments provided by affected property owners when the final proposed reimbursement agreement was considered.

Milne advised the applicable statute, RCW 57.22.020, did not require a public hearing, on a proposed reimbursement agreement. However, because an approved reimbursement agreement would result in a notice of potential latecomer reimbursement charges owing being recorded against affected properties, it made sense to inform potential affected property owners of the reimbursement agreement and to provide them with the opportunity to comment on the proposal for Board consideration.

Following discussion, the Board by consensus determined to revise the draft policy to not require a public hearing, but rather provide for letter notice to potential affected property owners to provide them with the opportunity to comment on the application before the Board considered the approval of a reimbursement agreement. The revised policies and procedures will be available for the next Board meeting to be held on June 2, 2014, commencing at 5:00 p.m. at the District office.

ATTORNEY'S COMMENTS

There were none.

ENGINEER'S COMMENTS

There were none.

OFFICER MANAGER'S COMMENTS

There were none.

OPERATIONS MANAGER'S COMMENTS

Hynek advised that Utility Service Company, the company that District Staff had contacted regarding steel reservoir maintenance services, had not been scheduled for a presentation to the Board at the June 2, 2014 special meeting because it appeared, based on advice of counsel, USC could not be contracted to provide all the proposed services without a competitive bid for those services. Milne advised the District could contract with USC if it so desired to provided "ordinary maintenance" of the District's tanks on a periodic basis. For example, they could conduct periodic inspections and report to the District what they found. However, the District cannot contract with USC to provide tank repairs, recoating and other similar activities not in the nature of ordinary repairs, unless the District complied with the public works bidding statutes. Therefore, Hynek advised that District Staff would review the District's maintenance needs further and report back to the Board.

GENERAL MANAGER'S COMMENTS

There were none.

COMMISSIONERS' COMMENTS

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

Martin requested the General Manager advise regarding certain information on Dropbox regarding a King County folder. Russell advised the information in the folder related to the District's expired franchise agreement with King County.

Anderson reported on his attendance at the most recent State Association Board of Directors meeting.

Kunkel advised he was unable to attend the most recent Newcastle Chamber of Commerce meeting, but planned on attending the next meeting.

ADDITIONAL CITIZENS' COMMENTS AND CONCERNS

Gordon Bisset, a City of Newcastle City Councilmember, requested clarification regarding the nature of the District's agenda for the June 2, 2014 special meeting. Russell advised that the meeting was in lieu of the District's June 11, 2014 regular meeting, which had been canceled due to the absence of certain Commissioners. Russell further advised a public hearing on the Lawrence Park sewer reimbursement agreement application was scheduled at 6:00 p.m. on June 2, 2014 for public comment on that application and approval consideration by the Board.

HEALTHCARE AUTHORITY - EXECUTIVE SESSION - POTENTIAL LITIGATION
(RCW 43.30.110(1)(i))

Milne requested an Executive Session to discuss certain matters relating to the District's participation in the Healthcare, Authority which could involve potential litigation. Following discussion, Kunkel so moved on that basis. Martin seconded the motion, which carried unanimously. Before convening the Executive Session at 5:35 p.m., Anderson advised the Executive Session would be concluded at approximately 5:45 p.m. The Commissioners, Russell, Hynek, Nelson and Milne then attended the Executive Session. At 5:45 p.m., the Executive Session concluded, and open public meeting has reconvened. Following discussion, the Board appointed Anderson as the Commissioner representative to participate in negotiations with the Union representing field employees regarding certain HCA surcharges which were recently imposed by that program and directed Russell to obtain dates for potential negotiation sessions with the Union.

EXECUTIVE SESSION – SALE OF REAL PROPERTY (RCW 42.30.110(1)(c))

Russell requested an Executive Session to discuss the possible sale of District real estate. Following discussion, Kunkel so moved on that basis. Martin seconded the motion, which carried unanimously. Before convening the Executive Session at 5:50 p.m. Anderson advised the Executive Session would be concluded at approximately 6:30 p.m. Milne then left the meeting and the Commissioners, Russell, Hynek, Nelson, and Andrew Maron, Special Counsel, then attended the Executive Session. At 6:30 p.m., the Executive Session was concluded and open public meeting was reconvened.

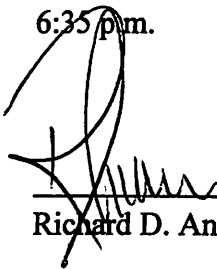
APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 042762 through 042786 in the amount of \$34,755.58.

OTHER DISTRICT BUSINESS

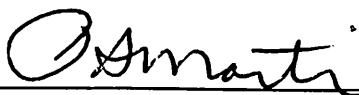
As there was no further business or persons to be heard, the meeting was concluded at

6:35 p.m.



Richard D. Anderson, Commissioner

Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner