

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

Held on May 10, 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 May 10, 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. John Milne, general counsel, was 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 April 26, 2017

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizen in attendance.

CONSULTING SERVICES FOR WASWD SECTION IV

Russell reported the District had been invoiced for the 2017 work programs to be provided by consultants relating to activities of the King County Regional Water Quality Committee and MWPAAC. Several water-sewer districts within Section IV shared the cost of staff assistance. The

District contributed \$1,500 in 2016, and the request was for the same amount or more if possible due to a budget shortfall experienced the last two years. Following discussion, due to the significant benefit the District derived from the staff work, Commissioner Martin made the motion to contribute the amount of \$1,800 for the 2017 work program. Commissioner Kunkel seconded the motion, which carried unanimously.

CONSULTING SERVICES FOR C.P. MCAULIFFE C.P.A.

Russell reported the District needed to retain consulting services for the preparation of the District's financial statements for the year 2016. There may also be additional "on call" consultation throughout the year to assist with other District accounting matters. C.P. McAuliffe submitted a proposal not to exceed the amount of \$30,000 to provide the requested services. Following discussion, Commissioner Kunkel made the motion to approve an agreement for consulting services with C.P. McAuliffe at a cost not to exceed \$30,000, and to authorize the General Manager to sign the agreement on behalf of the District. Commissioner Martin seconded the motion, which carried unanimously.

ATTORNEY'S COMMENTS

The attorney had no comments.

ENGINEER'S COMMENTS

Mr. Martin reported on behalf of the engineer on the status of the 440 Reservoir Recoating project. He reported the contractor would re-commence work when weather conditions were more conducive to completing the remaining work. He advised another pre-construction meeting would be held with the contractor before the remaining work was started. He advised the issue of the application of the UV coating would have to be addressed because

the tank should be empty for the application, but the summer was the District's heaviest demand period. He will keep the Board further advised.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1609 through 1651 in the amount of \$369,382.83.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$103,138.26.

FINANCE MANAGER'S COMMENTS

The Finance Manager had no comments.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin recommended the District now have three tanks washed and cleaned. He reported that Coating Northwest had submitted the low bid of \$14,425.00, not including tax, and recommended the project services contract be awarded to Coatings Northwest in that amount. Following discussion, Commissioner Martin made the motion to award a contract to Coatings Northwest in that amount and to authorize the General Manager to sign the contract on the District's behalf and proceed with the work. Commissioner Kunkel seconded the motion, which carried unanimously.

Mr. Martin recommended the District retain a contractor to perform landscape maintenance services. He reported that Homestead Design and Maintenance had submitted the low bid of \$33,264.00, not including tax, and recommended the project services contract be awarded to Homestead in that amount. Following discussion, Commissioner Martin made the motion to award a contract to Homestead in that amount and to authorize the General Manager to sign the contract

on the District's behalf and proceed with the work. Commissioner Kunkel seconded the motion, which carried unanimously.

GENERAL MANAGER'S COMMENTS

Russell reported on his attendance at the recent Retrospective Rating Program meeting. The third party administrator reported on the Retro years of 2013-2014, 2014-2015, 2015-2016, and 2016-2017. The District qualified for a refund under the Program of \$3,292 for the year 2016. The 2017 refund will be distributed in June. He also reported one of the district members in the Program had been voted out of the Program due to a high loss ratio. The next meeting is scheduled for September 12, 2017.

Russell reported that Commissioner Anderson had indicated he had a schedule conflict with the Board's May 31, 2017, special workshop meeting. Following discussion, as the Board determined that all commissioners should preferably attend the workshop meeting, the Board cancelled the May 31, 2017, workshop and rescheduled the workshop for Tuesday, May 23, 2017, commencing at 2:00 p.m. at the District office to address certain audit issues, the commissioner and employee conference attendance and travel policy, the District's Whistleblower Protection Policy, and any other business that may come before the Board. Notice of the special meeting will be posted and noticed as required by law.

COMMISSIONERS' COMMENTS

Commissioner Martin reported on her attendance at the recent Pacific Northwest AWWA conference held in Kennewick.

ADDITIONAL CITIZEN'S COMMENTS


Gordon Bisset, a City of Newcastle City Councilmember, reported the City was currently in the process of re-zoning the City's downtown area, and the re-zoning, once adopted by the City,

may increase density in the downtown area. The District may want to track the re-zoning process to determine any effects on the District's utility systems in the area.

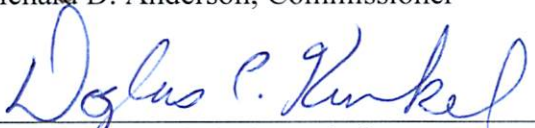
OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 5:55 p.m.

BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner