

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

Held June 2, 2014

A special meeting of the Board of Commissioners of Coal Creek Utility District was held at the District Office, 6801 – 132nd Place SE, Newcastle, Washington, on June 2, 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, was present, and John Milne, General Counsel, attended the meeting later as these minutes indicate.

CITIZENS' COMMENTS AND CONCERNS

There were no comments from the citizens in attendance.

RETROSPECTIVE RATING PROGRAM AGREEMENT

Russell reported the District participated in a retrospective rating group through the Washington State Association of Sewer and Water Districts and that the group would receive a rebate of \$460,184.88 of L&I premiums for the 2013 - 2014 retrospective rating year. In addition, the District would be receiving a second check returning most of the assessment relating to an appeal assessed during that year. Further, Russell advised that, in order to participate in the next retrospective rating year of 2014 - 2015, the District was required to approve and sign a new agreement to formalize that participation. He advised Milne had reviewed the proposed agreement, may have some comments. Therefore, he recommended the Board approve the District's participation in the plan for the next year and authorize Russell to sign the participation agreement once in a form acceptable to him and Milne. Following discussion, the Board approved the District's participation in the retrospective rating group for

the year 2014-2015 and authorized Russell to sign the participation agreement once in a form acceptable to him and Milne. Russell advised the District was required to sign and return the agreement no later than June 30, 2014. He will keep the Board further advised.

CONSULTANT PROCUREMENT ELECTRICAL ENGINEERING SERVICES

Russell and Hynek reported that, pursuant to consultant procurement requirements of Chapter 39.80 RCW, Staff had reviewed the MRSC consultant roster for electrical engineering services relative to the District's SCADA/Telemetry Upgrade Project. Following the review of the consultant statements of qualification on the MRSC roster, District Staff had identified S&B, Inc. as the most qualified consultant to provide services for the project. Therefore, they requested the Board authorize Staff to negotiate a scope of work and fee proposal with that consultant for the Board's review and approval. Following discussion, Martin made the motion to authorize and direct District Staff to negotiate a scope of work and fee proposal with S&B, Inc. for electrical engineering services for consideration by the Board. Kunkel seconded the motion, which carried unanimously.

ENGINEER'S COMMENTS

There were none.

OFFICE MANAGER'S COMMENTS

Nelson advised a scrivener's error in the May 28, 2014 Board meeting minutes had been corrected. The title of the minutes had referred to that meeting as a "special meeting", whereas it had been a regular meeting.

OPERATIONS MANAGER'S COMMENTS

Hynek reported on his attendance at a recent conference sponsored by City Works and reported on new systems the District Staff would review for compatibility with the City Works system the District presently utilizes. Staff will keep the Board further advised.

GENERAL MANAGER'S COMMENTS

There were none.

COMMISSIONERS' COMMENTS

There were none.

RECESS

At 5:30 p.m., Anderson recessed the Board meeting until the public hearing on the proposed Lawrence Park Sewer Reimbursement Agreement scheduled for 6:00 p.m.

John Milne, District Counsel, attended the meeting at 6:00 p.m.

LAWRENCE PARK SEWER REIMBURSEMENT AGREEMENT – PUBLIC HEARING

Anderson convened the public hearing on the proposed adoption of latecomer reimbursement connection charges for the Lawrence Park sewer extension at 6:00 p.m. Anderson advised purpose of the hearing was for property owners potentially affected by the proposed latecomer reimbursement agreement to provide the Board with any comments they may have on the proposed reimbursement agreement and connection charges. He then introduced the Board of Commissioners, District Staff and the consulting engineer and attorney.

Milne reported on the statutory requirements relating to the receipt and processing of an application for a latecomer reimbursement agreement. He advised if the latecomer agreement was approved, the latecomer reimbursement period would be for 15 years, and any party owning property which connected to or used the sewer system installed by the developer would be required to pay latecomer reimbursement charges to the party who installed the sewer system. If the affected property owners did not connect to or use the sewer extension during the 15 year period, they would not be required to pay the latecomer reimbursement charge to the developer. However, once the latecomer reimbursement charges expire, the District's local facility sewer connection charge would apply. He also advised that the applicable statute, RCW 57.22.020, did

not require a public hearing on the proposed reimbursement agreement. However, the District Board of Commissioners had scheduled one to provide an opportunity for affected property owners to provide their input and comments on the proposed reimbursement agreement to the Board of Commissioners before final action on the proposed agreement was taken.

Hutley then addressed the methodology to determine the individual latecomer reimbursement charges, the boundaries of the proposed reimbursement area, and again confirmed that parties will not be required to pay the latecomer reimbursement charge unless they connect their property to or use the sewer improvement.

Anderson then requested comments from the public in attendance who signed up to speak.

Mr. Mike Hummer, 8634 - 116th Avenue SE, asked whether there was an interest charge on the latecomer reimbursement payments, and also had questions how his property would be served due to the elevation of his property if gravity service was not available to his property.

Hutley and Milne responded there was no interest charge on the latecomers payment. Hutley also advised that in the event of difficulties providing gravity sewer service, the District may consider allowing him to have a private pump to provide service to his property from the sewer extension.

Mr. Paul Ebensteiner, on behalf of the developer, Lozier Development, LLC, wanted to confirm with Hutley that a lot located adjacent to and west of Lot 1 in the latecomer reimbursement area would not be subject to a latecomer reimbursement charge. Hutley confirmed that Lot 1 would be required to connect to the Lawrence Park sewer extension but the lot to the west of and adjacent to Lot 1 had been subject to a different latecomer reimbursement agreement due to its frontage on SE 84th Street.

Mr. Paul LeBar, 8421 - 118th Avenue SE, spoke in support of the proposed latecomer reimbursement agreement because it made public sewer service immediately available to his property.

As there were no further parties who wished to address the Board on the proposed adoption of the latecomer reimbursement connection charges, Anderson closed the portion of the hearing for public comments.

The Board then considered the options regarding the proposed adoption of the latecomer reimbursement connection charges and the agreement by either (1) approving the proposed latecomer reimbursement agreement with the charges as proposed; (2) approve the proposed latecomer reimbursement agreement with the charges with modification; or (3) take the adoption of the proposed latecomer reimbursement agreement under advisement.

Following discussion, Kunkel made the motion to approve the Lawrence Park sewer extension latecomer reimbursement agreement and related connection charges as proposed by the adoption of Resolution No. 1794. Martin seconded the motion, which carried unanimously. District Staff and the Consulting Engineer will now finalize the reimbursement agreement and one signed by the Developer, Russell is authorized to sign the agreement on behalf of the District, which will then be recorded with the King County Office of Records and Elections.

ATTORNEY'S COMMENTS


Milne reported on a recent appellate case regarding business and occupation taxes.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher No. 042787 in the amount of \$1,392.64.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting was concluded at
7:15 p.m.



Richard D. Anderson, Commissioner

Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner