

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

Held on June 22, 2016

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 June 22, 2016. Commissioner Kunkel, Board President, called the meeting to order at 5:00 p.m. Commissioner Ric Anderson, Board Vice President, and Commissioner Pamela Martin, Board Secretary, were present. District Staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Tish Hunter, Finance Manager, were also present. John Milne, General Counsel, and Dave Hutley, Consulting Engineer, were also present.

APPROVAL OF AGENDA

Commissioner Anderson made the motion to approve the agenda as presented. Commissioner Martin seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of minutes – Regular Board Meeting of June 8, 2016.

Resolution No. 1833 – Surplus Property – Re-signature to correct date

Resolution No. 1835 – TV Truck Purchase

May Creek Park Vista Developer Extension – Sewer Design Approval

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

CITIZENS' COMMENTS / CONCERNS

Gordon Bisset, a Newcastle City Council member, advised that the City Council was reviewing the provision of LED street lights. However, recent studies regarding detrimental effects of LED lighting had come to Bisset's attention which he had shared with the City.

STAFFING SERVICES FOR GMPC, RWQC AND MWPAAC

Russell provided an accounting of the cost of staffing for these committee organizations for the 2015-2016 cycle and a report on what King County water-sewer districts had contributed to the cost of staffing for that period. Following discussion, Commissioner Martin made the motion to approve a contribution of \$1,500 for the 2016-2017 funding cycle, the same amount the District had contributed for the 2015-2016 cycle. Commissioner Anderson seconded the motion, which carried unanimously. The Board also requested that the General Manager suggest funding to the district group based on district size for equity purposes.

440 RESERVOIR TREES

Patrick Martin provided the Commissioners with copies of a report dated June 10, 2016, from American Forest Management regarding two trees of concern at the District's 440 Reservoir site. The report indicated that the trees were healthy and in good condition, but would continue to grow and potentially cause problems. Martin reported that one neighbor adjacent to the site had requested the trees be removed, while another neighbor had requested the trees be maintained for screening. Following discussion, because one of the trees was a Douglas fir and was expected to grow much larger, the Board authorized staff to have that tree removed, but to retain the other tree which was a deodar cedar which would mature at a smaller size. Staff was also requested to report further whether the Douglas fir to be removed should be replaced with another tree, and if so, what kind of tree.

FitHR LETTER OF ENGAGEMENT

Russell provided the Commissioners with copies of a scope of work and fee proposal dated June 9, 2016, from FitHR to provide consulting services on personnel management to District management staff. The consultant had proposed a monthly retainer for up to ten hours per month with an hourly rate thereafter if the retainer was exceeded. As the commissioners expressed concern regarding the retainer, the General Manager was directed to discuss an hourly fee arrangement with the consultant, and if that was acceptable, what the hourly rate would be. The General Manager was also directed to obtain information from other personnel consultants regarding hourly rates for comparative purposes. The General Manager will report back to the Board.

ATTORNEY'S COMMENTS

Milne reported on the State Association attorneys' group lunch which he had hosted at his office on June 13, 2016.

ENGINEER'S COMMENTS

Hutley requested a budget increase in the amount of \$44,000 for 440 Reservoir inspection, design and management services as addressed in a letter dated June 10, 2016, to the District. He advised the contractor's work schedule had not been anticipated and had caused the need for increased inspection services. Following discussion, given the size of the budget increase, the Board took the request under advisement and directed District staff to contact City of Bellevue Utility staff to determine whether the proposed budget increase was acceptable to the City. The District shares the cost of tank maintenance with the City, and the City was responsible to pay for an assigned portion of the reservoir recoating project cost. Staff will report back to the Board.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 044483 through 044508 in the amount of \$67,069.12.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 011131 through 011137 in the amount of \$14,689.08.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 011138 through 011148 in the amount of \$10,950.00.

FINANCE MANAGER'S COMMENTS

Hunter proposed the District's resolution policy regarding late payment penalty removal be revised from the present policy of once every five years to once every three years. She also requested that management staff be given more discretion regarding penalty removal. Following discussion, the commissioners indicated they would consider the proposed policy change and directed staff to present a revised resolution policy for Board consideration at a future meeting. Staff also requested they be allowed to waive a late payment penalty a customer had incurred even though the customer had had a penalty removed within the last five years. The customer alleged that she had not received her billing in the mail. Due to the customer's good payment record excepting the one late payment penalty, the Board authorized staff to waive the customer's most recent penalty if management staff felt that was appropriate.

Hunter reported she had recently successfully completed Government Accounting and Accounting II classes and would now start a new course. The commissioners commended her on her achievement.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported the District had received bids for its asphalt work. The low bid had been submitted by Rainier Asphalt and Concrete in the amount of \$11,960, not including tax. Following discussion, Commissioner Anderson made the motion to award the project contract to Rainier Asphalt in that amount. Commissioner Martin seconded the motion, which carried unanimously.

Mr. Martin advised a District field tech employee, Jeremy Rex, had started work on June 20, 2016, and that another new field tech, Daniel Gravelle, would start work on June 27, 2016. He and Russell also advised that interviews were being scheduled with applicants for the meter reading position, with an expected start date of August 1, 2016.

GENERAL MANAGER'S COMMENTS

Russell advised a farewell party for Todd Hynek who was retiring from District employment at the end of July, 2016, had been scheduled for July 8, 2016. He will provide further information.

COMMISSIONERS' COMMENTS

Commissioner Martin advised she planned to attend the State Association Finance Committee meeting scheduled for June 23, 2016.

Commissioner Martin advised she planned to attend the State Association Board of Directors meeting and Executive Committee meetings scheduled for June 27, 2016.

Commissioner Anderson reported on his attendance at the most recent State Association Government Relations Committee meeting.

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

Commissioner Anderson noted that King County was considering a fee on all septic systems located in King County to fund septic system education and remediation efforts.

Commissioner Kunkel again commended Hunter on the successful completion of her accounting classes.

ADDITIONAL CITIZEN’S COMMENTS

There were no additional comments from the citizens in attendance.

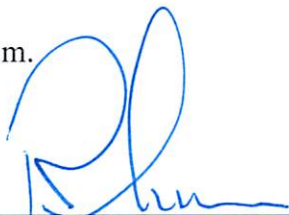
EXECUTIVE SESSION – EMPLOYEE PERFORMANCE REVIEW

Russell requested an executive session pursuant to RCW 42.30.110(1)(g) to review employee performance. Following discussion, Commissioner Anderson so moved on that basis. Commissioner Martin seconded the motion, which carried unanimously. Before convening the executive session at 6:35 p.m., Commissioner Kunkel advised the executive session would conclude at approximately 6:45 p.m. The Commissioners, Russell, Mr. Martin, Hunter, and Milne then attended the executive session. At 6:45 p.m., the executive session concluded and open public meeting reconvened.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:50

p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner