

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

Held on July 13, 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 July 13, 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, was 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 22, 2016.

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizens in attendance.

440 RESERVOIR TREES

Patrick Martin provided the Commissioners with copies of an email from Mike and Jennifer Simons, 12001 SE 73rd Place, requesting the removal of certain trees at the District's 440 Reservoir which would enhance the western view from their property. Martin and Russell reported there were five trees of concern. The trees were healthy but one of the trees had a split top. They advised that trees with split tops were at risk of failure. One option was to top the trees, but that procedure created unhealthy trees. Following discussion, given the Board had previously authorized the removal of another at-risk tree at the 440 Reservoir site, the Board authorized the removal of the split top tree while the other at-risk tree at the site was removed by the arborist the District would retain to do that work. Commissioner Martin stressed the removal of the at-risk split top tree was being performed because of the tree's condition, and not for view preservation purposes. District staff will check with City of Newcastle staff to confirm City tree removal policies and procedures before the work is done.

FitHR LETTER OF ENGAGEMENT

Russell provided the Commissioners with copies of a revised scope of work and fee proposal dated June 29, 2016, from FitHR to provide consulting services on personnel management on an hourly basis. Russell also provided information regarding other rates charged by other consultants for comparative purposes. Following discussion, Commissioner Anderson made the motion to authorize the General Manager to contract with FitHR for consulting services as proposed. Commissioner Martin seconded the motion, which carried unanimously.

PENALTIES ON SERVICE ACCOUNTS

Russell and Hunter had requested the District's policy regarding the removal of late payment penalties on delinquent customer utility service accounts for extenuating circumstances

be revised to allow Staff greater discretion to remove and waive such penalties. The Board had discussed the matter at the June 22, 2016, Board meeting and had requested that staff provide a proposed revised policy. Staff now recommended the policy be revised to allow for the removal of penalties for extenuating circumstances on a one-time basis during a three year period; provided if a customer requested an additional penalty waiver during that period, a written request to the Board to do so must be submitted. Following discussion, Commissioner Anderson made the motion to approve the revised policy by the adoption of Resolution No. 1836. Commissioner Martin seconded the motion, which carried unanimously.

ATTORNEY'S COMMENTS

Milne reported he been invited by the State Association to speak on the procedures regarding the selection of architects and engineers at the Fall Conference to be held in Spokane, Washington, on September 22, 2016.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 044509 through 044543 in the amount of \$362,835.14.

The Board approved for payment Capital Improvement Fund Voucher No. 044544 in the amount of \$148,131.89.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 011149 through 011171 in the amount of \$109,366.85.

FINANCE MANAGER'S COMMENTS

Hunter advised the District would go live with the TruePoint/Vision utility billing system on July 18, 2016.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported on the status of the 440 Reservoir recoating project. The interior tank recoating work was expected to be completed by the first or second week in August, 2016. A property owner adjacent to the project site had complained of dust on their residence and the matter had been referred to the project contractor for resolution.

Mr. Martin provided paint samples to the Commissioners for input on the finish color for the tank's exterior.

Mr. Martin reported the seasonal maintenance of all of the District's 3,800 meters had recently been completed, including curb striping to identify meter location.

Mr. Martin advised a limited small works contract had been provided to Rainier Asphalt for the District's asphalt work. District staff will give the contractor notice to proceed once the contract is signed.

GENERAL MANAGER'S COMMENTS

Russell provided the commissioners with information regarding King County sewer service rates and capacity charges, which will be adjusted effective January 1, 2017. The 2016 rate is \$42.03, and the 2017 rate will be \$44.22. The 2016 capacity charge is \$58.70, and the 2017 capacity charge will be \$60.80. The District's sewer rate resolution will be revised to include the rate increase effective January 1, 2017, and will be submitted to the Board for approval at a later date.

Russell reported the State Association Section IV member water-sewer districts intended to send a letter to the King County Council committee now considering revisions to the King County Comprehensive Plan relative to utility policies. The districts will request the proposed revisions be further revised to be consistent with the Growth Management Act. He requested Board authorization to advise the letter authors that the District supported the substance of the

letter. Following discussion, the Board authorized Russell to advise that the District supported the letter and its substance.

Russell advised regarding concerns a District customer had regarding the trimming of the customer's vegetation over a District water meter box and meter serving the property. District staff had trimmed the vegetation to restore District access to the meter. Russell further advised the District had published an article in the District's latest customer newsletter regarding the need to maintain vegetation to allow for continuous access to District meters. Russell will meet with the customer on site to address his concerns and keep the Board further advised.

COMMISSIONERS' COMMENTS

Commissioner Martin reported on her attendance at the July 7, 2016, SPU Operating Board meeting.

Commissioner Martin reported on her attendance at the July 12, 2016, Conservation Technical Forum meeting.

ADDITIONAL CITIZEN'S COMMENTS

There were no additional comments from the citizens in attendance.

EXECUTIVE SESSION – EMPLOYEE PERFORMANCE REVIEW

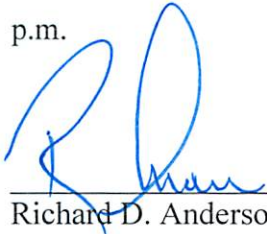
Commissioner Martin requested an executive session pursuant to RCW 42.30.110(1)(g) to review employee performance. Following discussion, Commissioner Anderson so moved on that basis. Commissioner Martin seconded the motion, which carried unanimously. Before convening the executive session at 6:10 p.m., Commissioner Kunkel advised the executive session would conclude at approximately 6:25 p.m. The Commissioners, Russell, and Milne then attended the executive session. At 6:25 p.m., the executive session was extended to 6:35 p.m.,

which was publicly announced. At 6:35 p.m., the executive session concluded and open public meeting reconvened.

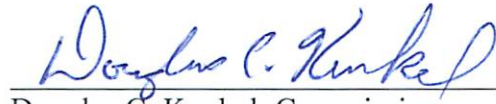
OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:40

p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner