

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

Held August 27, 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 August 27, 2014. Commissioner Anderson called the meeting to order at 5:00 p.m. Commissioners Kunkel and Martin were present. District Staff Robert Russell and Pam Nelson were present. John Milne, General Counsel was also present.

CONSENT AGENDA

Approval of minutes - Regular Board Meeting of August 13, 2014.

Carport – Final Acceptance.

1060 Reservoir Emergency Electrical Repair – Final Acceptance.

Newcastle Way Apartments – Water and Sewer Developer Extension Agreement – Signature Approval.

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

CITIZENS' COMMENTS AND CONCERNS

There were no comments from the citizens in attendance.

OFFICE MANAGER'S COMMENTS

Nelson proposed the District use Homestreet Bank for banking services and as the District's funds depository. The District was presently using Key Bank, but Nelson felt that Homestreet Bank could provide more services and also a higher interest rate on District deposits than Key Bank. Following discussion, the Board authorized Nelson to terminate the District's

banking relationship with Key Bank and establish a banking relationship with Homestreet Bank as soon as reasonably possible.

GENERAL MANAGER'S COMMENTS

Russell advised the Board had previously scheduled a public hearing to be held as part of the September 24, 2014, Regular Board Meeting on the proposed revision of water and sewer utility rates for implementation for the period of 2015 to 2017. However, Russell reported the District's financial consultant, Sergey Tarasov, FCS Group Project Manager, was not available for the hearing on September 24. Following discussion, the Board determined to cancel the public hearing for September 24 Regular Meeting and, subject to Tarasov's availability, reschedule the public hearing on the proposed revision of utility rates to the October 8, 2014 Regular Meeting.

Russell advised the District had recently received a refund from the Retrospective Rating Program for the 2010 - 2013 period in the amount \$9,517.16.

The Commissioners asked if Russell had received any response from City of Newcastle representatives regarding the possible sale of the District's former operations center to the City. Russell advised he had not yet received a response from the City, but that the City Manager and certain Councilmembers may not have been available during the last part of August. However, he expected to hear from City staff in early September, 2014. He will keep the Board further advised.

COMMISSIONERS' COMMENTS

Martin reported on her attendance at the State Association Government Relations Committee meeting, the State Association Section IV meeting, the State Association Strategic Planning Committee meeting, the State Association Conference and Training Committee meeting, and the State Association Board of Directors meeting.

Martin reported she had received a letter from the Public Employees Benefit Board regarding an additional deduction benefit that would commence in the year 2015.

Martin advised the State Association had recently been audited by an independent auditor and the results of the audit had been good.

Martin advised she would attend the Leadership Conference sponsored by the State Association on October 22, 2014, and that the cost of the conference would be paid for by the State Association due to her position on the Board of Directors.

Martin reported representatives from the State Association had asked her, if she was elected to Board of Directors at the Fall Conference, whether she would agree to serve as Treasurer on the Board of Directors. She advised that, if elected, she would agree to accept the Treasurer position if nominated or appointed to that position.

Martin advised she planned to attend the tour sponsored by SPU of the Tolt watershed and treatment facilities to be held on September 4, 2014.

Kunkel reported on activities relating to the Newcastle Chamber of Commerce. He advised he had attended the Chamber Board meeting the previous evening and a Chamber breakfast held at the Regency Apartment facility that day.

Kunkel reported Homestreet Bank would host a BBQ on September 4, 2014 relating to the commencement of the professional football season.

Kunkel advised the Chamber will again have a beer garden at the Newcastle Days Festival scheduled for September 6, 2014.

Kunkel advised the next Chamber lunch is scheduled for September 10, 2014. The Chamber will also host an after-hours activity with a representative from Puget Sound Energy on September 18 at 6:00 p.m. at the Newcastle Golf Course.

Anderson reported on his attendance at the State Association Government Relations and Board of Directors meetings, as well as the Conference and Training Committee meeting. He also confirmed with staff that he plan to attend the State Association Fall Conference.

ADDITIONAL CITIZENS' COMMENTS AND CONCERNS

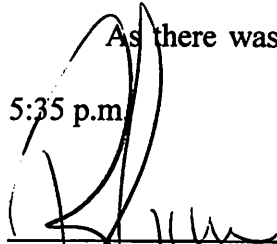
There were no comments from the citizens in attendance.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 042986 through 043008 in the amount of \$30,338.81.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting was concluded at 5:35 p.m.


Richard D. Anderson, Commissioner


Douglas C. Kunkel, Commissioner


Pamela A. Martin, Commissioner