

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

**Held on October 26, 2016**

A regular meeting of the Board of Commissioners of Coal Creek Utility District was held at the District Office, 6801 – 132<sup>nd</sup> Place SE, Newcastle, Washington, on October 26, 2016. Commissioner Doug 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 present. Dave Hutley, consulting engineer, and John Milne, general counsel, were also present.

**APPROVAL OF AGENDA**

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

**CONSENT AGENDA**

Approval of minutes – Regular Board Meeting of September 28, 2016

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

**CITIZENS' COMMENTS / CONCERNS**

There were no comments from the citizen in attendance.

**EMERGENCY SEWER MANHOLE REPAIR**

Russell reported that a manhole located in the intersection of Coal Creek Parkway and Newcastle Way had become unstable, created substantial risk to the performance of District

utility functions and public safety, and needed to be repaired as soon as possible. Therefore, Russell recommended an emergency be declared and the competitive bidding requirements be waived so the manhole could be repaired as soon as possible. He further advised a quote from AA Asphaltting had been obtained in the amount of approximately \$18,650, not including tax, to perform the work. Mr. Martin reported he had discussed the need for the repair work with City of Newcastle staff. Newcastle staff had indicated the work could only be performed on the weekend. However, Mr. Martin was concerned that traffic may be greater on the weekend in the area of the repair work and would substantially increase the cost of the work. He felt it would be better and cheaper to perform the work during the week between the hours of 9:00 a.m. and 2:00 p.m. The Commissioners concurred with his concerns. However, because the work needed to be performed as soon as possible, Commissioner Anderson made a motion to declare an emergency so the project could proceed and waive the competitive bidding requirements by the adoption of Resolution No. 1839. Commissioner Martin seconded the motion, which carried unanimously. Staff will keep the Board further advised on the emergency work.

### **2017 KING COUNTY SEWER RATE**

Russell reported that when the District established water and sewer utility service rates in October, 2015, the District had used projections from King County relative to the King County/Metro component of the District's monthly charge for sewer service. The District had used King County's projection of \$44.75 per month for the year 2017. However, when the King County Council adopted Ordinance No. 18305 in June, 2016, the County had adopted a revised monthly rate for sewer of \$44.22 for 2017. Therefore, Russell recommended the District now revise its sewer rate to be effective January 1, 2017, to account for the reduced County rate for 2017.

Following discussion, Commissioner Martin made a motion to amend the District's sewer rates to be effective January 1, 2017, to account for the reduced County rate for 2017 by the adoption of Resolution No. 1840. Commissioner Anderson seconded the motion, which carried unanimously.

#### **440 RESERVOIR PAINT PROJECT STATUS**

Hutley reported on the status of the interior and exterior tank repaint project. He advised that the deadline to complete the project work was today, October 26, 2016, but that the contractor had not yet completed the project. The contractor had recently repaired holidays in the interior paint work which was now subject to a curing period and then inspection by the District's paint consultant for acceptance. Other work remaining included completing the top paint coat on the tank's exterior roof, washing down and disinfecting the tank interior, applying a seal coat to the tank's exterior, the completion of certain paving work, and clean-up. However, much of the remaining work was dependent on favorable weather. He reported he had advised the contractor verbally and through written correspondence the District required the timely performance and completion of the project work so the tank could be placed back on-line, but the contractor had not taken advantage of the favorable summer weather to timely complete the work. He and Milne recommended that Hutley, as the District's project manager, now advise the contractor in writing that the contractor was in breach of contract for failure to timely complete the work, and to advise of the District's right to assess liquidated damages in accordance with the contract terms and conditions until the project work was completed. Following discussion, the Board authorized Hutley to notice the contractor accordingly.

## **KING COUNTY FRANCHISE**

Russell and Milne reported on proposed legislation being considered by the King County Council to substantially increase the cost to obtain a franchise from the County to maintain District utility facilities in King County right-of-way and for annual compensation to the County related to the franchise. They reported the District had previously applied to the County for a new franchise, had provided County staff with a proposed agreement, but had not yet heard back from County staff. They will keep the Board further advised.

## **MANAGEMENT CONTRACTS**

Russell reported that all management contracts would expire as of December 31, 2016, and that it was the Board's normal protocol to evaluate the performance of District management staff at year-end to determine whether the contracts would be extended and whether adjustment in assigned duties and related compensation was appropriate. Following discussion, the Board determined to discuss the matter in executive session at the end of the Board meeting.

## **ATTORNEY'S COMMENTS**

Milne reported on his recent presentation of the manual on insurance and indemnity requirements for contracts he had prepared for the Water and Sewer Risk Management Pool. He had presented the manual at the Pool's recent Fall Membership meeting. The District is a member of the Pool, and he provided hard copy of the manual to District staff for their information.

## **ENGINEER'S COMMENTS**

Hutley had no further report.

## **APPROVAL OF VOUCHERS**

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1158 through 1187 in the amount of \$242,006.95.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1188 through 1210 in the amount of \$175,190.16.

The Board approved for payment Capital Improvement Fund Voucher No. 3 in the amount of \$117,258.25.

The Board approved for payment Capital Improvement Fund Voucher No. 4 in the amount of \$19,313.21.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit/Payroll in the amount of \$112,397.60.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit/Payroll in the amount of \$12,100.00.

#### **FINANCE MANAGER’S COMMENTS**

Ms. Hunter reported she had received bids on a new telephone system for the District. The District’s present system was over 20 years old and needed to be upgraded. She advised that quotes had been solicited from Soundtel, Inc., Pacific Business Systems, and Comcast. She reported that the low bid had been submitted by Soundtel, Inc. in the amount of \$13,271.88, not including tax. She recommended the equipment/system be purchased from Soundtel, Inc. as the lowest responsible bidder. Following discussion, the Board took the matter under advisement for consideration at the next regular meeting.

#### **OPERATIONS MANAGER’S COMMENTS**

Mr. Martin had no comments.

#### **GENERAL MANAGER’S COMMENTS**

Russell reported on his attendance at the recent Pool Fall Membership meeting with Mr. Martin and Ms. Hunter.

Russell reported the District had recently taken delivery of the new Honda Fit.

### **COMMISSIONERS' COMMENTS**

Commissioner Martin thanked Commissioner Kunkel for his recent presentation to the Newcastle Chamber of Commerce regarding the District.

Commissioner Martin reported on her attendance at the recent State Association Board of Directors meeting and the Board workshop on the revised membership dues calculation.

Commissioner Martin advised she planned to attend the next Seattle Public Utilities Operating Board meeting.

Commissioner Anderson reported on his attendance at the recent State Association Conference and Training committee meeting.

Commissioner Kunkel thanked District for the information and materials they provided for Kunkel's presentation to the Chamber.

### **ADDITIONAL CITIZEN'S COMMENTS**

There were no comments from the citizen in attendance.

### **EXECUTIVE SESSION – EMPLOYEE PERFORMANCE REVIEW – RCW**

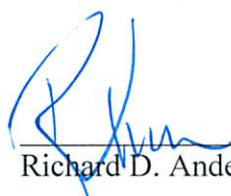
#### **42.30.110(1)(i)**

Commissioner Martin made a motion to convene an executive session to review the performance of District management staff pursuant to RCW 42.30.110(1)(i). Commissioner Anderson seconded the motion, which carried unanimously. Before convening the executive session at 6:10 p.m., Commissioner Kunkel advised the executive session would be concluded at approximately 7:00 p.m. The Commissioners and Russell then attended the executive session. At 7:00 p.m., the executive session was extended to 7:30 p.m., which was publicly announced. At 7:30 p.m., the executive session concluded and open public meeting reconvened.

Following discussion, the Board determined to schedule a special meeting to be held on Wednesday, November 16, 2016, commencing at 5:00 p.m. at the District office to continue the review of the performance of District management staff. The Board also determined to cancel the regular meeting of November 23, 2016. Staff will comply with the public notification requirements for the scheduling of the special meeting and the cancellation of the regular meeting.

**OTHER DISTRICT BUSINESS**

As there was no further business or persons to be heard, the meeting concluded at 7:40 p.m.



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Richard D. Anderson, Commissioner

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Douglas C. Kunkel, Commissioner



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Pamela A. Martin, Commissioner