

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

Held on November 16, 2016

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 November 16, 2016. Commissioner Doug Kunkel, Board President, called the meeting to order at 5:01 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.

APPROVAL OF AGENDA

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizens in attendance.

OLYMPUS LIFT STATION

Mr. Martin reported one of the three Cornell pumps at the Olympus Lift Station was failing and needed to be replaced as soon as possible. He recommended the pump be replaced with another Cornell pump because the replacement pump must be compatible with the existing Cornell pumps and it would be easier for District staff to operate and maintain the replacement pump. District staff had discussed the procurement process with John Milne, District counsel, to replace the pump. Milne had advised that the District could waive the competitive bidding requirements in RCW 57.08.050 under the provisions of RCW 39.04.280(1) (b) because the pump would be considered a “special facility” to procure the necessary pump from an authorized supplier. Mr. Martin advised

he had obtained a quote from Cascade Machinery in the amount of \$14,244, not including tax, to provide and install a Cornell pump. Following discussion, Commissioner Anderson made a motion to waive the formal bidding requirements and to authorize the procurement of the pump from Cascade Machinery as a special facility at a cost not exceeding \$16,000, including tax, by the adoption of Resolution No. 1839. Commissioner Martin seconded the motion, which carried unanimously. Staff will now order the pump which should be available in approximately six weeks.

OTHER DISTRICT BUSINESS

Ms. Hunter advised that representatives from the State Auditor's Office had started their audit of the District for the year 2015 that day. The auditors had suggested an entrance conference with District representatives to discuss the audit. Following discussion, the Board authorized Commissioner Martin to meet with District staff and the auditors on November 29, 2016, at 11:00 a.m. at the District office for the entrance conference, and to report back to the Board.

Mr. Martin reported that the 440 Reservoir had been filled and the water tested. He reported that the results of the water quality testing were negative, meaning water quality was acceptable, but that the results of the taste and odor testing were not yet available. He will keep the Board further advised.

ADDITIONAL CITIZEN'S COMMENTS

Gordon Bisset, a District customer and City of Newcastle City Councilmember, reported that the Newcastle City Council at its meeting on November 15 had determined not to impose new taxes to balance the City's 2017 budget, other than a possible 15% increase of the City's surface water management tax.

EXECUTIVE SESSION – EMPLOYEE PERFORMANCE REVIEW – RCW 42.30.110 (1)

(G) The Board had commenced the year-end review of District management staff and other employees' performance at the October 26, 2016, Board meeting, and scheduled a special Board meeting for November 16, 2016, to continue and complete that discussion. Commissioner Martin made a motion to convene an executive session to review the performance of District employees pursuant to RCW 42.30.110 (1) (g). Commissioner Anderson seconded the motion, which carried unanimously. Before convening the executive session at 5:30 p.m., Commissioner Kunkel advised the executive session would conclude at approximately 6:00 p.m. The commissioners and District management staff then attended the executive session. At 6:00 p.m., the executive session was extended to 6:30 p.m., which was publicly announced. Ms. Hunter and Mr. Martin were excused from the executive session at 6:00 p.m. At 6:30 p.m., the executive session concluded and open public meeting reconvened. Ms. Hunter and Mr. Martin then rejoined the Board meeting.

Following discussion, Commissioner Anderson made the motion to approve (a) a ten (10) percent increase in Hunter's annual compensation to be effective January 1, 2017, and a cost of living adjustment (COLA – CPI-W) in the amount of one hundred (100) percent of the COLA, also effective January 1, 2017, once the COLA was available; and (b) a three and one-half (3.5) percent increase in Mr. Martin's annual compensation to be effective January 1, 2017, and a COLA in the amount of one hundred (100) percent of the COLA, also effective January 1, 2017, once the COLA was available. Commissioner Martin seconded the motion. Ms. Hunter and Mr. Martin both advised those salary adjustments were acceptable to them if approved by the Board. The motion then carried unanimously. Ms. Hunter and Mr. Martin then thanked the Board for their salary adjustments.

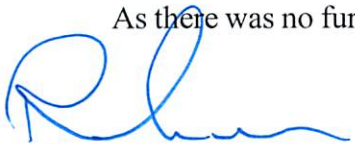
The Board then resumed the executive session with Russell at 6:45 p.m. to review Russel's job performance, and Ms. Hunter and Mr. Martin were excused from the meeting. Before reconvening the executive session, Mr. Kunkel advised the executive session would conclude at approximately 7:15 p.m. Mr. Russell was excused from the executive session at 7:00 p.m. At 7:15 p.m., the executive session concluded and open public meeting reconvened. Mr. Russell then rejoined the Board meeting.

Following discussion, Commissioner Martin made the motion to approve a three and one-half (3.5) percent increase in Mr. Russell's annual compensation to be effective January 1, 2017, and a COLA in the amount of one hundred (100) percent of the COLA, also effective January 1, 2017, once the COLA was available. Commissioner Anderson seconded the motion. Mr. Russell advised those salary adjustments were acceptable to him if approved by the Board. The motion then carried unanimously. Mr. Russell thanked the Board for the salary adjustment.

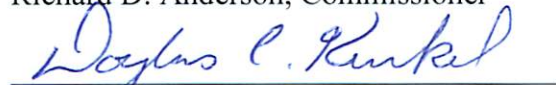
The Board then directed Russell to work with District counsel to prepare new employment agreements for all management staff for consideration by the Board once the updated COLA information was available. The updated contracts will probably be available for Board consideration at the Board's January 25, 2017, regular board meeting.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 7:25 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner