

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

Held on December 9, 2015

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 December 9, 2015. Commissioner Martin called the meeting to order at 5:00 p.m. Commissioner Anderson was present. Commissioner Kunkel had an excused absence. District Staff Robert Russell and Todd Hynek were present. Dave Hutley, Consulting Engineer, and John Milne, General Counsel, were also present.

APPROVAL OF AGENDA

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

CONSENT AGENDA

Approval of minutes – Special Board Meeting of November 18, 2015.

Approval of minutes – Special Board Meeting of December 2, 2015.

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizens in attendance.

BOREN CREEK TOWNHOMES

Russell advised that the developer of the Boren Creek Townhomes project had requested the District reconsider the District administrative charge to process the developer's waiver of latecomer reimbursement amounts. The developer was entitled to latecomer reimbursement

from a certain property owner under the project's water and sewer latecomer reimbursement agreements previously approved by the Board. However, the developer had agreed the property owner would not be required to pay the latecomer charges to the developer when connecting their property to the District's water and sewer system. The developer contended the District's administrative charge of 20% of the amount owing, which would not be collected, was excessive.

Milne advised he had discussed the developer's request with District staff and the engineer and it was their recommendation the developer only be required to reimburse the District for the attorney fees to review the matter and staff and engineer costs to prepare and process the latecomer charge waiver and lien release.

Darrel Mitsunaga, on behalf of the developer, Conner Homes, stated the District staff proposal to only charge the District's actual attorney, engineer and staff costs and fees to process the waiver and lien release was acceptable to the developer.

Following discussion, Anderson made the motion to grant an exception to the District policy to charge the 20% administrative fee to process a latecomer payment to only charge the District's actual attorney, engineer and staff costs to process the Conner waiver and lien release form. Martin seconded the motion, which carried unanimously.

VISION SOFTWARE

Hynek requested authorization to purchase the Vision Payroll Portal at a cost of \$8,700 as an addition to and which would integrate with the financial software the District had already purchased from Vision MS. Hynek advised the additional software would enhance the District's ability to process payroll. Following discussion, Anderson so moved. Martin seconded the motion, which carried unanimously.

NEWCASTLE BILLING AGREEMENT

Hynek advised the District had used a billing agreement with developers in the past to provide certain information to the City of Newcastle regarding proposed short plats, subdivisions and commercial projects. However, Hynek further advised the agreement and fees collected from developers relative to such projects were no longer needed because the District could generate the required information electronically at a much reduced cost. Therefore the agreement and the related fees were no longer necessary. Following discussion, Anderson made the motion to authorize staff to discontinue the use of the agreement and collection of related fees. Martin seconded the motion, which carried unanimously. District staff will advise City staff accordingly.

PACE – 2016 RATES

Hutley requested an adjustment to his rates for the year 2016 as set forth in a letter proposal dated December 1, 2015, based on the increase in the cost of living index. Following discussion, Anderson so moved. Martin seconded the motion, which carried unanimously.

MANAGEMENT CONTRACTS

As directed by the Board at the December 2, 2015 meeting, Milne had prepared a draft employment agreement to employ Hynek as the District's Operations/Finance Manager for the term of January 1, 2016, through June 30, 2016. The contract provided for a ten (10) percent increase in Hynek's current base salary on an annualized basis effective January 1, 2016. Following discussion, Anderson made the motion to approve the proposed agreement. Martin seconded the motion, which carried unanimously.

As directed by the Board at the December 2, 2015 meeting, Milne had prepared a draft employment agreement to employ Russell as the District's General Manager for the term of

January 1, 2016, through December 31, 2016. The contract provided for an eight (8) percent increase in Russell's current base salary on an annualized basis effective January 1, 2016. Following discussion, Anderson made the motion to approve the proposed agreement. Martin seconded the motion, which carried unanimously.

ATTORNEY'S COMMENTS

Milne reported the Sno-King Coalition had invited him to address the possible application of the Open Public Meeting Act to Coalition Board meetings. Coal Creek is a member of the Coalition. Subject to the Sno-King Board's approval of his proposal to do so at the Sno-King December 14, 2015 meeting, Milne advised he would address the matter at the Board's January 11, 2016 meeting which would be held at Coal Creek. He will keep the Board further advised.

ENGINEER'S COMMENTS

Hutley provided the commissioners a status report on District engineering projects.

OPERATIONS / FINANCE MANAGER'S COMMENTS

There were none.

GENERAL MANAGER'S COMMENTS

There were none.

COMMISSIONER'S COMMENTS

Martin reported she planned to attend the State Association of Board of Directors meeting scheduled for December 21, 2015.

Following discussion, the Board determined to cancel the December 23, 2015, regular meeting scheduled at the District office at 5:00 p.m.

Following discussion, the Board determined to schedule a special Board meeting commencing at 11:30 a.m. on December 23, 2015, at Cheers Renton, 201 Williams Ave S., Renton, WA 98057 for the purposes of the employee recognition luncheon.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 044070 through 044086 in the amount of \$226,796.51.

EXECUTIVE SESSION – TO REVIEW THE PERFORMANCE OF PUBLIC EMPLOYEES AND TO REVIEW THE QUALIFICATIONS OF A CANDIDATE FOR DISTRICT EMPLOYMENT

Russell requested an executive session to review the performance of District office staff and to review the qualifications of a candidate for District employment. Following discussion, Anderson so moved pursuant to RCW 42.30.110(1)(g). Martin seconded the motion, which carried unanimously. Before convening the executive session at 5:55 p.m., Martin advised the executive session would be concluded at approximately 6:15 p.m. The Commissioners, Russell, Hynek and Milne then attended the executive session. At 6:15 p.m., the executive session was extended to 6:45 p.m., which was publicly announced. At 6:45 p.m., the executive session concluded and open public meeting reconvened.

Following discussion, the Commissioners determined to take the matter under advisement for further discussion at the Board's January 13, 2016, regular meeting when all commissioners would be present on the condition that any salary adjustments approved at the January 13 meeting would be effective January 1, 2016.

ADDITIONAL CITIZENS' COMMENTS

There were no additional citizen comments.

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



Pamela A. Martin, Commissioner