

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

Held on August 9, 2017

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 9, 2017. Commissioner Ric Anderson, Board President, called the meeting to order at 5:00 p.m. Commissioner Pam Martin, Board Vice President, and Commissioner Doug Kunkel, Board Secretary, were also in attendance. 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, was also present.

APPROVAL OF AGENDA

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

CONSENT AGENDA

Approval of Minutes – Regular Board meeting – July 26, 2017

Commissioner Kunkel 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.

MINUTES FOR APPROVAL

The Commissioners signed the minutes for the May 23, June 28, and July 12 Board meetings which had been approved by the Board at the July 26, 2017, meeting.

LOWES CHARGE ACCOUNT

Hunter reported the District was considering alternatives for the purchase of supplies and equipment needed for day to day District operations, given that McLendon's would no longer honor District purchase orders. She had discussed a credit account with Lowe's Hardware and had requested that Milne review the credit application.

Milne reported he had reviewed the application and it contained many terms and conditions which he felt were not in the District's best interest. He noted District options were to accept the Lowe's conditions, reconsider an account with McLendon's, or require staff to use existing District credit cards.

Following discussion, the Board directed Hunter to further communicate with Lowe's to see if there were more favorable credit terms given the nature of the District as a governmental agency. She was also authorized to further discuss credit terms with McLendon's and to report back to the Board.

700 RESERVOIR GEOTECHNICAL REPORT – PROPOSAL

Hutley reported he had obtained a proposal dated August 8, 2017, at a cost of \$17,600 from Shannon & Wilson, a geotechnical consultant, to perform a geotechnical study at the 700 Reservoir. Following discussion, Commissioner Martin made a motion to authorize PACE to retain Shannon & Wilson to perform the study. Commissioner Kunkel seconded the motion, which carried unanimously.

ATTORNEY'S COMMENTS

Milne reported on bills which had been enacted in the recently concluded 2017 legislative session applicable to water-sewer districts.

ENGINEERS REPORT

Hutley reported on the status of current District engineering projects, including the 440 Reservoir Recoating Project, as set forth in his report dated August 9, 2017. With respect to the 440 Recoating Project, the contractor was now performing punch list items and was still performing grouting work. He and District staff will keep the Board further advised.

With respect to the Adela Vista developer project, cost information for deep sewers have been received and reviewed. Given the cost was prohibitive, the developer will not be required to install the sewers as deeply as had been hoped to make gravity sewer service available to adjacent property.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1830 through 1863 in the amount of \$490,302.60.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$111,974.38.

FINANCE MANAGER'S COMMENTS

Hunter advised the District's 2106 financial information had been submitted to the State Auditor's Office.

Hunter advised she had received further information from Blue Diamond Cleaning Services. The District had received proposals for janitorial/cleaning services the Board had previously considered and had requested clarification of Blue Diamond's proposal. Following discussion, Commissioner Kunkel made the motion to award a contract to Blue Diamond at a monthly cost of \$597.54 subject to the termination of the agreement with the current service provider and the preparation of an agreement with Blue Diamond. Commissioner Martin seconded the motion, which carried unanimously. The General Manager was also authorized to

sign and implement the contract with Blue Diamond when it was in a form acceptable to him and District counsel.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported the work to replace a sewer pipe located within an easement on property on by the Chans had been completed. Connor Homes, the developer responsible for the work, had agreed to replace certain trees within the easement later in the year when conditions were not so dry and it was more likely the new trees would survive.

Mr. Martin reported one of the two newly hired field technicians had started work with the District on August 7, and that the second new technician would start work on August 14, 2017.

GENERAL MANAGER'S COMMENTS

Russell reported, in light of the Finance Manager's resignation from District employment, that the position had been advertised with a closing date of August 11 or until filled and thus far the District had received three applications for the position. Given the need to quickly fill the position, the Board authorized the General Manager to extend an offer of employment to the candidate he determined to be most qualified for the position.

COMMISSIONERS' COMMENTS

Commissioner Anderson and the other Commissioners thanked Ms. Hunter for her service to the District. Ms. Hunter advised her last day of employment with the District will be September 8, 2017.

ADDITIONAL CITIZEN'S COMMENTS

Gordon Bisset, a City of Newcastle City Councilmember, advised the City had discussed including funding in the City's 2018 budget to install LED street lighting. However, given a potential budget deficit, the amount may not be included in the final 2018 budget. He will receive

further information at the City's September 19, 2017, Council meeting regarding the proposed expenditure. .

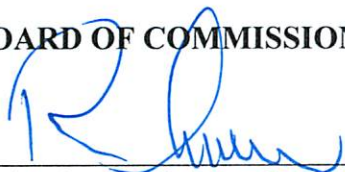
EXECUTIVE SESSION – RCW 42.30.110 (1) (G)

Russell requested an executive session pursuant to RCW 42.30.110(1) (g) to evaluate the qualifications of applicants for public employment. Following discussion, Commissioner Martin so moved on that basis. Commissioner Kunkel seconded the motion, which carried unanimously. Before convening the executive session at 6:00 p.m., Commissioner Anderson advised the executive session would conclude at approximately 6:10 p.m. The Commissioners, management staff and Milne then attended the executive session. At 6:10 p.m., the executive session concluded and open public meeting reconvened.

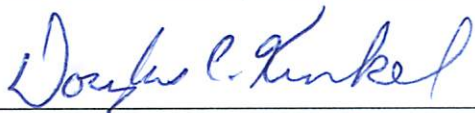
OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:12 p.m.

BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner