

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

Held August 13, 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 13, 2014. Commissioner Anderson called the meeting to order at 5:00 p.m. Commissioners Kunkel and Martin were present. District Staff Robert Russell, Todd Hynek and Pam Nelson were present. John Milne, General Counsel, and Dave Hutley, Consulting Engineer, were also present.

CONSENT AGENDA

Approval of minutes - regular Board meeting of July 23, 2014.

Varney Plat Developer Extension Agreement - water and sewer extension design approval.

Renton Middle School Developer Extension Agreement – water and sewer extension design 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.

DISTRICT REVENUE REQUIREMENTS

Sergey Tarasov, FCS Group Project Manager, presented the results of a review of the District's revenue requirements. He advised FCSG had completed a multi-year rate forecast for water and sewer service rates in 2011. FCSG had recommended a three year rate implementation plan at that time, to be reviewed in the future before further implementation. He advised the present focus was an updated five year forecast for the period of 2015 to 2019. Based on a

comparison of existing water rate revenue to future expenses, he recommended an annual increase in water rates of only 2% to meet ongoing expenses for that period, instead of the water rate increases of 3.25% in the years 2015 and 2016 which had been projected in the 2011 study. Based on a comparison of existing sewer rate revenue to future expenses for the 2015 – 2019 period, he recommended an annual increase in sewer rates of 3.5% to meet the ongoing expenses for that period, which was the same increase for the years 2015 and 2016 that had been projected in the 2011 study. In sum, he felt the results of the 2011 study had been met or exceeded. Therefore, the next step would be to have a public hearing for public comment on adjusted utility rates to meet the District's revenue requirements for the three year period of 2015 through 2017, for implementation effective November 1, 2014. He also felt the District should continue to monitor utility rates to make sure they follow assumptions incorporated in the revenue requirements study.

The Commissioners thanked Tarasov for his presentation and for the accuracy of his prior rate projections. Following discussion, the Board determined to schedule a public hearing to be held as part of the September 24, 2014 regular meeting on the proposed utility rates to be implemented for the 2015 to 2017 period.

TRAVEL AND MEALS POLICY

District Staff presented revised Resolution No. 1796 addressing conference attendance, travel expense reimbursement, and District vehicle use policies which had been approved by the Board by the adoption of Resolution No. 1796 at the July 9, 2014 Board meeting. However, the resolution had been further modified at the July 23, 2014 Board meeting to apply the U.S. General Services Administration (GSA) reimbursement rate for the locale where the conferences or other activities were held, and not necessarily the rate for the Seattle/King County area, as the resolution had previously provided. Martin then made the motion to approve and adopt the

resolution as revised. Kunkel seconded the motion, which carried unanimously. Resolution No. 1796 as revised was then signed by the Commissioners.

ATTORNEY'S COMMENTS

There were none.

ENGINEER'S COMMENTS

There were none.

OFFICE MANAGER'S COMMENTS

There were none.

OPERATIONS MANAGER'S COMMENTS

There were none.

GENERAL MANAGER'S COMMENTS

The General Manager referred to a letter dated July 28, 2014, from Seattle Public Utilities presenting the results of Seattle's Wholesale Water Study for the period 2015 to 2017 and advising of Seattle's wholesale water supply rates for the year 2015.

COMMISSIONERS' COMMENTS

Martin reported attending the State Association Board of Directors meeting ~~scheduled for~~ *held on 8/27/14* July 28, 2014.

Anderson reported he planned to attend the State Association Government Relations Committee meeting to be held on August 14, 2014.

ADDITIONAL CITIZENS' COMMENTS AND CONCERNS

There were no comments from the citizens in attendance.

SALE OF REAL PROPERTY-EXECUTIVE SESSION-RCW 42.30.110(1)(c)

Russell requested an Executive Session to discuss the possible sale of the District's former operations center to the City of Newcastle. Following discussion, Martin so moved on

that basis. Kunkel seconded the motion, which carried unanimously. Before convening the Executive Session at 5:45 p.m., Anderson advised the Executive Session would be concluded at approximately 5:55 p.m. The Commissioners, Russell, Hynek, and Nelson then attended the Executive Session and Milne left the meeting. At 5:55 p.m., the Executive Session was concluded and open public meeting was reconvened.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 042947 through 042985 in the amount of \$477,684.96.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010337 through 010359 in the amount of \$117,689.77.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting was concluded at

6:00 p.m.



Richard D. Anderson, Commissioner

Douglas C. Kunkel, Commissioner

Pamela A. Martin, Commissioner