

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

**Held on February 14, 2024**

A regular meeting of the Board of Commissioners of Coal Creek Utility District was held in-person and by remote means at the District Office, 6801 – 132<sup>nd</sup> Place SE, Newcastle, Washington, on February 14, 2024. Commissioner Doug Kunkel, Board President, attended by Zoom, and called the meeting to order at 2:00 p.m. Commission Suzi O’Byrne, Board Secretary, attended in person. District staff Robert Russell, General Manager, and Jamie Crookston, Finance Manager, and Rosemary Larson, legal counsel, attended in person.

The District provided the public with ability to attend the meeting by Zoom or conference call, and provided notice of the call-in and remote access information to the public and a speaker in the meeting room which allowed all persons attending to hear each other at the same time.

**APPROVAL OF AGENDA – ADDITIONS OR DELETIONS**

Mr. Russell informed the Commissioners of the need to add two items to the agenda: Item 9A “WASWD Dues” and an Executive Session under RCW 42.30.110(1)(i) to discuss with legal counsel potential litigation and legal risks relating to an undercharge.

Commissioner O’Byrne made a motion to approve the agenda as amended. Commissioner Kunkel seconded the motion, which passed unanimously.

**CONSENT AGENDA**

Approval of Minutes -- Regular Meeting of January 24, 2024

Commissioner O’Byrne made a motion to approve the consent agenda. Commissioner Kunkel seconded the motion, which passed unanimously.

## **APPROVAL OF VOUCHERS**

Commissioner O'Byrne made a motion to approve the following Vouchers. Commissioner Kunkel seconded the motion, which passed unanimously:

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 5271 to 5283 in the amount of \$52,961.82.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 5284 to 5296 in the amount of \$75,230.04.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 5297 to 5329 in the amount of \$332,449.26.

Water/Sewer Maintenance Fund – Payroll in the amount of \$88,082.74.

Water/Sewer Maintenance Fund – EFT in the amount of \$7,473.65.

Water/Sewer Maintenance Fund – EFT in the amount of \$88,602.74.

## **CITIZENS' COMMENTS AND CONCERNS**

Ed Flash, City of Newcastle Arts Commissioner, was present. Mr. Flash stated that he wished to discuss the proposal to use District fire hydrants for artwork, to better understand the Commissioners' concerns and learn the process for moving the proposal forward.

Commissioner Kunkel described the discussions at prior Board meetings on the topic. Commissioners and staff have expressed concern over safety issues with the proposal, such as fire response time and working on hydrants near roadways, as well as other liability issues. Commissioner Kunkel explained that another major concern is that the District does not have an arts budget or arts commission; the proposal would not be within the District's purpose. The Commissioners do not want to spend District ratepayer funds on a project that is outside of its mission. Further, the District has paint specifications for its hydrants which should be followed.

Mr. Flash stated that while he could address some of the concerns, he could not address the need to follow paint specifications. If that is required, then he would not pursue the request. Commissioner Kunkel confirmed that the specifications are a requirement, and also emphasized that the proposal would require the expenditure of ratepayer funds on a project that was not for the maintenance or betterment of the District's systems. Commissioner O'Byrne agreed, and stated that the District could incur liability if the proposal resulted in delayed fire response. Mr. Russell confirmed that the District's paint specifications are based on AWWA standards. He spoke to the District's insurer, which indicated that the proposal posed some liability risk to the District. Mr. Russell noted that fire hydrant art can be attractive, but the District's main concern is public safety and the proper use of District funds.

Commissioner Kunkel thanked Mr. Flash for attending and presenting the request in person. Mr. Flash departed.

#### **WATER METERS AND MXU INVENTORY**

Mr. Russell informed the Commissioners that an invoice for the purchase of water meters is in the agenda materials. This is a normal order, but the cost has have risen to the level where he would like Board approval for the purchase.

After discussion, Commissioner O'Byrne made a motion to approve payment of the Ferguson invoice for purchase of water meters and related facilities in the amount of \$22,123.63, including sales tax. Commissioner Kunkel seconded the motion, which passed unanimously.

#### **DISTRICT OFFICE CARPET BIDS**

Ms. Crookston reported that staff contacted six contractors to request proposals on the Carpet Project, and Legacy is the only contractor to have submitted a responsive bid. However, the Legacy bid amount is close to what she anticipated. In response to a question from

Commissioner Kunkel, Ms. Crookston stated that one other contractor submitted a bid which was less than the Legacy bid, but that bid omitted several required items and was otherwise nonresponsive in several respects. Legacy was highly recommended by other districts.

After discussion, Commissioner O'Byrne made a motion to award the Carpet Replacement Project to Legacy Group Interiors, and approve the Legacy Group Interiors bid for that Project in the amount of \$65,568.52, not including sales tax. Commissioner Kunkel seconded the motion, which passed unanimously.

### **COMMISSIONER APPLICANTS**

Mr. Russell reported that the notice period for nominations for appointment to the vacant Commissioner position has concluded. The District received one additional nomination. That nominee, and one of the Commissioners' nominees, submitted application materials to the District.

Ms. Larson discussed potential "next steps" in the appointment process. Commissioner O'Byrne stated that she was in favor of conducting interviews. Commissioner Kunkel agreed. The Commissioners and staff discussed holding a special meeting for the purpose of conducting interviews and evaluating the applicants. The Commissioners' consensus was to hold a special meeting for these purposes on February 21, 2024, and if the applicants were not available on that date, on February 27, 2024. The Commissioners and staff discussed the interview process. Ms. Crookston has a list of interview questions from the District's Human Resources consultant. The Commissioners may send additional questions to staff.

### **WASWD DUES**

Mr. Russell informed the Commissioners that the Washington State Association of Sewer and Water Districts provided its invoice for the District's membership renewal for 2024, in the amount of \$17,488.43. This is a slight increase over the 2023 dues. Commissioner O'Byrne

commented that the District receives value from participation in WASWD, including the Association's lobbying efforts. Commissioner Kunkel agreed.

Commissioner O'Byrne made a motion to approve payment of the 2024 WASWD dues invoice in the amount of \$17,488.43. Commissioner Kunkel seconded the motion, which passed unanimously.

**ATTORNEY'S COMMENTS**

Ms. Larson had no additional comments.

**ENGINEER'S COMMENTS**

Mr. Reynolds was not present.

**MANAGERS' COMMENTS**

Ms. Crookston reported that the Paymentus contract will expire in May 2024. The new service provider will begin running its system in April, which should lead to a smoother transition. Ms. Crookston also reported that the Audit exit conference will be scheduled soon. She informed the Commissioners that the King County signature card is due to be updated, and requested that the Commissioners provide their signatures.

Mr. Russell informed the Commissioners that FCS Group provided an email, in the agenda packet, with a utility rate survey, showing how the District's water and sewer rates compare to other districts' rates. The District's rates are very competitive.

**COMMISSIONERS' COMMENTS**

Commissioner O'Byrne reported that she attended the Commissioners' Workshop on January 27, 2024. It was one of the best workshops that she has attended; the speakers were excellent.

Commissioner Kunkel had no additional comments.

**OTHER DISTRICT BUSINESS**

None.

**EXECUTIVE SESSION – RCW 42.30.110(1)(i) – To discuss with legal counsel potential litigation or legal risks**

Commissioner Kunkel announced that there would be an executive session under RCW 42.30.110(1)(i) to discuss with legal counsel potential litigation or legal risks relating to an undercharge, which would be for ten minutes and conclude at 3:06 p.m. Commissioner Kunkel convened the executive session at 2:56 p.m., with the Commissioners, Mr. Russell, Ms. Crookston, and Ms. Larson attending.

At 3:06 p.m., Commissioner Kunkel announced that the executive session was extended for five minutes, and would conclude at 3:11 p.m. At 3:11, Commissioner Kunkel announced that the executive session was extended for four additional minutes, and would conclude at 3:15 p.m.

At 3:15 p.m., the executive session was concluded and open session resumed. No action was taken.

**ADJOURNMENT**

As there was no further business or persons to be heard, the meeting concluded at 3:16 p.m.

**BOARD OF COMMISSIONERS**

*Douglas Kunkel*

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Douglas Kunkel, Commissioner

*Suzi O'Byrne*

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Suzi O'Byrne, Commissioner

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Commissioner