

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

Held on December 11, 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 132nd Place SE, Newcastle, Washington, on December 11, 2024. Commissioner Peter Zevenbergen, Board Vice President, attended in person, and called the meeting to order at 2:04 p.m. Commissioners Suzi O’Byrne, Board Secretary, and Commissioner Kim Lane, attended in person. District staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Jamie Crookston, Finance Manager, attended in person. Bill Reynolds, District Engineer, and Rosemary Larson, legal counsel, also 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

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

CONSENT AGENDA

Approval of Minutes -- Special Meeting of November 4, 2024

Approval of Minutes -- Regular Meeting of November 13, 2024

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

APPROVAL OF VOUCHERS

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

- Maintenance Fund 0010 – AP - Voucher Nos. 6140 to 6171 in the amount of \$34,364.61.
- CIP Reserve Fund 3030 – AP - Voucher No. 6172 in the amount of \$98,254.32.
- Maintenance Fund 0010 – AP - Voucher Nos. 6173 to 6190 in the amount of \$219,061.33.
- CIP Reserve Fund 3030 – AP - Voucher No. 6191 in the amount of \$3,258.10.
- Maintenance Fund 0010 – AP – Voucher Nos. 6192 to 6201 in the amount of \$119,798.50.
- Maintenance Fund 0010 – AP – Voucher Nos. 6202 to 6222 in the amount of \$302,566.89
- Maintenance Fund 0010 – Payroll in the amount of \$88,074.03.
- Maintenance Fund – EFT in the amount of \$86,930.73.
- Maintenance Fund – EFT in the amount of \$14,860.94.
- Maintenance Fund – EFT in the amount of \$38,102.32.

PUBLIC COMMENTS AND CONCERNS

No citizens were present.

At 2:08, Commissioner Zevenbergen adjourned the meeting for a fifteen-minute break while the State Auditor’s Office engaged their remote connection to the meeting. At 2:23, the SAO’s remote connection was enabled and the open meeting resumed.

STATE AUDITOR’S OFFICE EXIT CONFERENCE

Hagi Adams, SAO Audit Manager, introduced Kieu Nguyen, Audit Lead, and Stacey Chen, Assistant Audit Manager. Mr. Hagi discussed the results of the SAO’s recent audit of the District, consisting of an Accountability Audit and Financial Statements Audit for the period of January 1, 2023 to December 31, 2023.

Kieu Nguyen reported that per the Accountability Audit, the District’s operations complied in all material respects with governing laws and regulations and the District’s own policies. Regarding the District’s Financial Statements, the SAO issued an unmodified “clean” opinion, stating the Financial Statements are materially correct and there are no material misstatements.

Stacey Chen provided closing remarks. The cost of the audit was within the estimate. The Audit Report will be published on the SAO’s website next week.

Kieu Nguyen thanked District staff, and specifically Ms. Crookston, for their prompt response to requests for information during the audit. District staff and the Commissioners thanked the SAO for its work on the audit. The SAO representatives departed the meeting.

DECLARATION OF EMERGENCY

Mr. Russell described and provided photographs of the damage to the District's facilities that resulted from the November 2024 storm event, primarily at the District's 1060 and 440 Reservoir sites. District staff and the Commissioners discussed the damage, necessary repairs, and District staff's response during the storm.

Mr. Russell presented a Resolution declaring and confirming the existence of an emergency, waiving certain public bidding requirements, and approving alteration of staff work schedules and compensatory time. Ms. Larson discussed the Resolution's provisions.

After discussion, Commissioner Zevenbergen made a motion to approve Resolution No. 1940, declaring and confirming the existence of an emergency arising from the November 2024 storm event; approving the alteration of staff work schedules and grant of certain compensatory time; waiving formal bidding requirements of RCW 57.08.050 and District resolutions for contracts for work and purchases to repair damage caused by the storm; and approving, ratifying and confirming actions taken consistent with the Resolution. Commissioner Lane seconded the motion, which passed unanimously.

2025 WASWD DUES

Mr. Russell explained the purpose of WASWD, and that the District is a WASWD member. WASWD has provided an invoice for the 2025 membership dues, in the amount of \$19,177.51. Mr. Russell commented that WASWD is an important organization for the District, in that it provides lobbying services, educational conferences and webinars, and networking and

collaboration opportunities, among other benefits. Commissioner O’Byrne agreed and noted that currently she is on the WASWD Board.

After discussion, Commissioner O’Byrne made a motion to approve payment of the WASWD 2025 membership dues invoice in the amount of \$19,177.51. Commissioner Lane seconded the motion, which passed unanimously.

2025 AKTIVOV ASSET MANAGEMENT

Mr. Russell stated that the Aktivov Asset Management program goes hand in hand with the District’s GIS system. The Aktivov software is a cloud-hosted, mobile and GIS-centric asset management platform, which allows the District to better manage its assets. Aktivov has provided its invoice for 2025 annual maintenance and support, in the amount of \$21,915.34, including tax. Staff recommend renewal of this service for 2025.

After discussion, Commissioner O’Byrne made a motion to approve payment of the Aktivov Asset Management 2025 invoice in the amount of \$21,915.34, including tax. Commissioner Lane seconded the motion, which passed unanimously.

2025 PACE RATE PROPOSAL

Mr. Reynolds explained that PACE has provided a proposal for new rates for 2025, which is in the agenda materials. If approved, the new rates would take effect on January 1, 2025. Mr. Russell commented that he verified that the proposed rates are similar to engineering rates paid by other districts. Mr. Reynolds noted that the proposed rates represent an approximate six percent increase, and explained the reasons for the increase.

After discussion, Commissioner Zevenbergen made a motion to approve the 2025 PACE rate proposal. Commissioner Lane seconded the motion, which passed unanimously.

ATTORNEY'S COMMENTS

Ms. Larson had no additional comments.

ENGINEER'S COMMENTS

Mr. Reynolds provided a status report on ongoing District Projects. The District expects to issue a Notice to Proceed for the Windtree Watermain Project in January.

Mr. Russell reported that there is a proposed Change Order in the agenda materials for the Sewer Rehabilitation Project. Mr. Martin explained that the District determined that it is necessary to include additional lineal footage and "top hats" on certain side sewer services in the Project, and to add two "Vac-a-Tee" installations. Mr. Reynolds stated that the District also removed certain work from the Project which is documented in the Change Order, resulting in a net increase of \$7,052.80, including tax. The Change Order also adds 55 Work Days to the contract.

After discussion, Commissioner Zevenbergen made a motion to approve Sewer Rehabilitation Project Change Order No. 2 in the amount of \$7,052.80, including tax, and the addition of 55 Work Days to the Project contract, for a total of 110 Work Days. Commissioner Lane seconded the motion, which passed unanimously.

MANAGERS' COMMENTS

Mr. Martin reported that the City of Newcastle is requiring the District to obtain a Right-of-Way Permit for the District's sewer system jetting on Newcastle Way between City Hall and the fruit stand, and on Coal Creek Parkway from that intersection to the Aegis facility. The District requested to perform this work at night for safety and traffic control reasons, as in the past, but the City is requiring the work to occur during the hours of 10:00 a.m. to 3:00 p.m. In response to questions from Commissioner Zevenbergen, Mr. Martin explained the cost difference to perform the work during the day and Mr. Russell stated that the City's concern over night-time work is

noise. Mr. Martin stated that the City Permit costs \$800, and the District must provide a traffic control plan. The District has obtained a quote from Altus Traffic Management in the amount of \$13,603.62, including tax, to provide traffic management services.

After discussion, Commissioner O’Byrne made a motion to approve a contract with Altus Traffic Management LLC for traffic management services in the amount of \$13,603.62, including tax. Commissioner Lane seconded the motion, which passed unanimously.

Ms. Crookston thanked District staff for all their help in completing the successful audit.

Mr. Martin added that the entire management team has great admiration for the staff’s response to the November 2024 storm event.

Mr. Russell informed the Commissioners that the recent holiday fell on a Friday. Staff on the 9/80 schedule were discouraged from taking the holiday on the following Friday, as that would leave the District very short-staffed. There is a policy in the Employee Manual that provides that 9/80 employees are entitled to an extra vacation hour when a holiday falls on a Monday thru Thursday, which creates an anomaly when the holiday falls on a Friday. Mr. Russell did not believe this was the intent when that policy was added to the Employee Manual. He asked whether the Commissioners would support providing the impacted employees with one additional vacation hour. The Commissioners’ consensus was that this was reasonable.

After discussion, Commissioner Zevenbergen made a motion to provide employees on the 9/80 work schedule, who were impacted by the “day after Thanksgiving” Friday holiday in 2024, with one additional “make-up” vacation hour. Commissioner O’Byrne seconded the motion, which passed unanimously.

COMMISSIONERS’ COMMENTS

Commissioner Lane stated that he reviewed the Windtree Project contract documents, and suggested a revision to the change order provisions in the District's standard public works contract. Mr. Reynolds commented on the proposed revision, noting that the District's standard documents incorporate the WSDOT Standards and Specifications.

Commissioner Lane asked a question regarding the use of ductile iron pipe in District projects. Mr. Russell and Mr. Reynolds responded.

Commissioner O'Byrne thanked Ms. Crookston for her great work on the audit.

Commissioner Zevenbergen seconded Commissioner O'Byrne's comments, as it is always good to have a clean audit. He also thanked staff for their work during the November storm to keep water and sewer service available, even during the power outage.

ADDITIONAL PUBLIC COMMENTS

No citizens were present.

OTHER DISTRICT BUSINESS

None.

Mr. Reynolds and Mr. Martin departed the meeting.

EXECUTIVE SESSION – RCW 42.30.110(1)(g) – To review the performance of public employees

Commissioner Zevenbergen announced that there would be an executive session under RCW 42.30.110(1)(g) to review the performance of a public employee, which would be for five minutes and conclude at 3:41 p.m. Commissioner Zevenbergen convened the executive session at 3:36 p.m., with the Commissioners, Mr. Russell, Ms. Crookston and Ms. Larson attending.

At 3:41 p.m., the Commissioners, Mr. Russell, Ms. Crookston and Ms. Larson came out of the executive session, and the regular open meeting reconvened.

After discussion, Commissioner O'Byrne made a motion, based on the employee's performance, to approve a 30 month step increase in salary for Abby Peterson, for the calendar year 2025. Commissioner Zevenbergen seconded the motion, which passed unanimously.

Ms. Crookston departed the meeting.

Commissioner Zevenbergen announced that there would be an executive session under RCW 42.30.110(1)(g) to review the performance of a public employee, which would be for five minutes and conclude at 3:47 p.m. Commissioner Zevenbergen convened the executive session at 3:42 p.m., with the Commissioners, Mr. Russell and Ms. Larson attending.

At 3:47 p.m., Commissioner Zevenbergen announced that the executive session would be extended for five minutes and conclude at 3:52 p.m.

At 3:52 p.m., the Commissioners, Mr. Russell and Ms. Larson came out of the executive session, and the regular open meeting reconvened.

After discussion, Commissioner Zevenbergen made a motion, based on the employee's excellent job performance, to approve that effective January 1, 2025, Jamie Crookston's vacation benefit will be at the 16 to 20 year step, which is 168 hours. Commissioner O'Byrne seconded the motion, which passed unanimously.

ADJOURNMENT

As there was no further business or persons to be heard, the meeting concluded at 3:55 p.m.

BOARD OF COMMISSIONERS



Suzi O'Byrne, Commissioner



Peter A. Zevenbergen, Commissioner



Kim Lane, Commissioner