

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

Held on December 13, 2023

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 13, 2023. Commissioner Doug Kunkel, Board President, attended by Zoom, and called the meeting to order at 2:02 p.m. Commission Suzi O’Byrne, Board Secretary, attended in person. District staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Jamie Crookston, Finance Manager, and Rosemary Larson, legal counsel, and Bill Reynolds, District Engineer, 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 O’Byrne made a motion to approve the agenda. Commissioner Kunkel seconded the motion, which passed unanimously.

CONSENT AGENDA

Approval of Minutes -- Regular Meeting of November 8, 2023

Approval of Minutes -- Special Meeting of November 22, 2023

Approval of Minutes -- Special Meeting of December 8, 2023

Hiemstra DEA (water and sewer) – Final Acceptance

Pleasant Cove Sewer Lift Station Rehabilitation Project – Final Acceptance

Man Residence – Sewer – Design Approval

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 - Vouchers No. 5091 to 5103 in the amount of \$19,824.01.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher No. 5104 in the amount of \$255,760.85.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher No. 5105 in the amount of \$3,255.96.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 5106 to 5126 in the amount of \$54,924.44.

Water/Sewer Maintenance Fund – Accounts Payable - Vouchers No. 5127 to 5130 in the amount of \$8,210.74.

Water/Sewer Maintenance Fund – Accounts Payable - Vouchers No. 5131 to 5139 in the amount of \$43,533.65.

Water/Sewer Maintenance Fund – Accounts Payable - Vouchers No. 5140 to 5169 in the amount of \$320,621.63.

Water/Sewer Maintenance Fund – Payroll in the amount of \$77,416.41.

Water/Sewer Maintenance Fund – EFT in the amount of \$24,329.62

CITIZENS' COMMENTS AND CONCERNS

There were no citizens in attendance.

2023 SEWER REHABILITATION PROJECT – RECOMMENDATION OF AWARD

Mr. Martin informed the Commissioners that the agenda materials contain a letter from PACE, recommending award of the 2023 Sewer Rehabilitation Project to the low bidder, Iron Horse Inc., in the amount of \$734,133.59. The bid was less than the Engineer's estimate of \$833,000. The contractor is ready to start work, so the Project can begin in a few weeks. Commissioner Kunkel commented that he is glad to see that the District received three bids, so the bid is competitive. He is also pleased that the contractor's references gave complimentary remarks. Mr. Martin commented that the contractor believes that it can complete the Project in thirty days.

After discussion, Commissioner O'Byrne made a motion to award the 2023 Sewer Rehabilitation Project to Iron Horse, Inc. in the amount of \$734,133.59, including sales tax. Commissioner Kunkel seconded the motion, which passed unanimously.

LEAK ADJUSTMENT POLICY

Mr. Russell noted that this item implements the Commissioners' consensus at a prior meeting to amend the District's leak adjustment policy to allow customers two adjustments in a ten-year period. Resolution No. 1927, in the agenda packet, contains this policy change. Commissioner Kunkel commented that he is in favor of this revision as it provides more flexibility for long-time residents and customers.

After discussion, Commissioner O'Byrne made a motion to approve Resolution No. 1927, revising the District's policy for leak repair adjustments to water service billings. Commissioner Kunkel seconded the motion, which passed unanimously.

GFC & LFC STUDY – FCSG PROPOSAL

Mr. Russell informed the Commissioners that FCS Group provided a proposal for preparation of the GFC/LFC Update Study, which is in the agenda packet. This Study goes hand

in hand with the Comprehensive Plan Update. The Commissioners have discussed the need to review the GFC and LFC amounts to ensure that the District is recovering its costs and adequately planning for future facility improvements.

After discussion, Commissioner O’Byrne made a motion to approve the FCS Group Proposal in the total amount of not to exceed \$27,810. Commissioner Kunkel seconded the motion, which passed unanimously.

COMPREHENSIVE PLAN PROPOSAL

Mr. Martin reported that PACE provided a proposal for preparation of the Comprehensive Water and Sewer System Plan Update, which is in the agenda packet. The PACE proposal is in the estimated amount of \$195,000. Mr. Martin noted that this work will help inform the GFC/LFC Study. Commissioner Kunkel commented that this amount seems reasonable, given the cost of the prior Comprehensive Plan Update and the current high rate of inflation.

After discussion, Commissioner O’Byrne made a motion to approve the PACE Comprehensive Plan Update Proposal in an amount of not to exceed \$195,000 and authorize the General Manager to execute the same on behalf of the District. Commissioner Kunkel seconded the motion, which passed unanimously.

ENGINEERING SERVICES AGREEMENT

Mr. Reynolds informed the Commissioners that the current two-year engineering services agreement with PACE will expire on December 31, 2023. Ms. Larson prepared the District’s standard engineering services agreement with another two-year term, and PACE attached its 2024 rate schedule as an Exhibit. Mr. Russell commented that the District has worked with PACE for many years and would like to continue the relationship. PACE understands the District’s systems

which leads to efficient service. Commissioner Kunkel agrees that it is beneficial to have an engineering firm that is familiar with the District's systems.

After discussion, Commissioner O'Byrne made a motion to approve the Agreement for Professional Engineering Services with PACE, and authorize the General Manager to execute the same on behalf of the District. Commissioner Kunkel seconded the motion, which passed unanimously.

LEGAL SERVICES AGREEMENT

Ms. Larson informed the Commissioners that similar to the engineering services agreement, the current two-year legal services agreement with Inslee Best, for general counsel services, expires on December 31, 2023. The proposed Agreement for Legal Services in the agenda materials is the same form as the current agreement, with the proposed 2024-2025 rate schedule attached. The proposed rates represent an increase which is less than the last two year's inflation rate. Mr. Russell commented that the District is happy with Inslee Best's services and would like to continue the relationship.

After discussion, Commissioner O'Byrne made a motion to approve the Agreement for Legal Services with Inslee Best, and authorize the General Manager to execute the same on behalf of the District. Commissioner Kunkel seconded the motion, which passed unanimously.

INSLEE BEST – SPU CONTRACT NEGOTIATIONS

Mr. Russell informed the Commissioners that Eric Frimodt of Inslee Best is representing a group of districts, along with Dick Johnson and FCS Group, to assist with negotiating the contract with Seattle Public Utilities. The agreement in the agenda packet is to retain Eric Frimodt for these special legal services.

After discussion, Commissioner O’Byrne made a motion to approve the Agreement for Legal Services – SPU Contract Negotiations and Related Services with Inslee Best, and authorize the General Manager to execute the same on behalf of the District. Commissioner Kunkel seconded the motion, which passed unanimously.

EAST KING COUNTY REGIONAL WATER ASSOCIATION

Mr. Russell stated the District used to be a member of the East King County Regional Water Association, which was looking at water rights. The District has not been an active participant for many years. The EKCRWA letter states that if the District wishes to continue to participate in pursuing the water rights, EKCRWA requires a monetary commitment of approximately \$180,000. However, it appears that only a few agencies are still interested in this endeavor, and the District doesn’t need this right. Mr. Russell recommended sending EKCRWA a letter indicating that the District is not interested in participating.

After discussion, Commissioner O’Byrne made a motion to direct staff to reply to EKCRWA that the District is not interested in participating in the pursuit of the water rights. Commissioner Kunkel seconded the motion, which passed unanimously.

ATTORNEY’S COMMENTS

Ms. Larson commented that she submitted the legal claims letter to the auditor.

Ms. Larson also reported on the increase in Commissioner compensation, to take effect on January 1, 2024.

ENGINEER’S COMMENTS

Mr. Reynolds reported that the District received its City permit for the Decant Facility Project. This Project will be advertised for bids at the beginning of 2024. The Windtree Water Main Project will be ready to be advertised for bids shortly after the Decant Facility Project.

MANAGERS' COMMENTS

Ms. Crookston reported that the audit is going well. The financial side of the audit is almost complete. Next, the auditor will review accountability issues.

Mr. Martin reported that Roof/HVAC Project should be substantially complete by the end of the month. Mr. Martin also informed the Commissioners that District staff are working with PACE on the documentation for compliance with the EPA's new lead and copper rule, which has a deadline of October 2024.

Mr. Russell reported that the District received a letter of resignation for Commissioner Pamela Martin, from Commissioner Martin's power of attorney. The resignation is effective immediately. Further, the letter states that Commissioner Martin does not intend to take the oath of office or otherwise fill the position that begins on January 1, 2024, to which she was just elected.

Ms. Larson explained the procedure required for filling vacant Commissioner positions under a new State law, and the required timing.

COMMISSIONERS' COMMENTS

Commissioner O'Byrne had no additional comments.

Commissioner Kunkel commented that he was sad to hear that Commissioner Martin is resigning. Commissioner Martin has been a Board Member for many years, and was a good mentor to him when he was first elected to the Board. Commissioner Martin always had the District's best interests in mind. He wishes her well.

Mr. Russell commented that this year was Commissioner Martin's 30-year anniversary with the District. She devoted countless hours to the District and was a valued asset to the District.

Ms. Crookston commented that the Employee Recognition Lunch will be held at the Newcastle Golf Club on December 21.

OTHER DISTRICT BUSINESS

None.

Mr. Reynolds departed the meeting.

EXECUTIVE SESSION - RCW 42.30.140(4)(b) - To discuss strategy or position to be taken during collective bargaining negotiations

Commissioner Kunkel announced that there would be an executive session under RCW 42.30.140(4)(b) to discuss strategy or positions to be taken during collective bargaining negotiations, which would be for twenty minutes and which would conclude at 3:20. Commissioner Kunkel convened the executive session at 3:00 p.m., with the Commissioners, Mr. Russell, Mr. Martin, Ms. Crookston and Ms. Larson attending.

At 3:19 p.m., the executive session was concluded and the open public meeting reconvened. No action was taken.

ADJOURNMENT

As there was no further business or persons to be heard, the meeting concluded at 3:21 p.m.

BOARD OF COMMISSIONERS



Douglas Kunkel, Commissioner



Suzi O'Byrne, Commissioner

Commissioner