

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

**Held on December 14, 2022**

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 December 14, 2022. Commissioner Suzi O’Byrne, Board President, attended by telephone and called the meeting to order at 5:08 p.m. Commissioner Pamela Martin, Board Secretary, attended by telephone. Commissioner Doug Kunkel, Board Vice-President, attended by telephone, and joined the meeting at 5:15 p.m. District staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Jamie Crookston, Finance Manager, and Rosemary Larson, legal counsel, attended in-person. Bill Reynolds, District Engineer, and Sergei Tarasov, FCS Group, attended by Zoom and joined the meeting at 5:30 p.m.

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

**CONSENT AGENDA**

Resolution No. 1918 – Meeting Start Time

Regular Meeting Minutes of November 9, 2022

Terrene Newcastle – Water and Sewer DEA – Approval

Solterra Newcastle – Sewer DEA – Approval

Heimstra Assemblage – Water and Sewer DEA – Design Approval

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

**APPROVAL OF VOUCHERS**

The Commissioners noted that the following Vouchers will be approved when signed:

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 4154 to 4171 in the amount of \$74,328.59.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 4172 to 4191 in the amount of \$72,176.17.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 4192 to 4222 in the amount of \$19,036.94.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 4223 to 4232 in the amount of \$28,444.68.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 4233 to 4251 in the amount of \$284,598.50.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 4252 to 4253 in the amount of \$354.00.

Water/Sewer Maintenance Fund – Payroll in the amount of \$71,227.49.

Water/Sewer Maintenance Fund – EFT in the amount of \$25,054.32.

Water/Sewer Maintenance Fund – EFT in the amount of \$71,965.75.

**CITIZENS’ COMMENTS AND CONCERNS**

There were no citizens in attendance.

**EXECUTIVE SESSION – RCW 42.30.110(1)(g) – To Review the Performance of a Public Employee.**

Mr. Martin and Ms. Crookston were excused from the meeting.

Mr. Russell requested an executive session under RCW 42.30.110(1)(g) to review the performance of public employees, and stated that the executive session would be for 10 minutes. Commissioner O’Byrne convened the executive session at 5:16 p.m., with the Commissioners, Mr. Russell, and Ms. Larson attending. At 5:26 p.m., the executive session was concluded and the open public meeting reconvened.

After discussion, Commissioner Kunkel made a motion to approve the renewal of the Finance Manager’s Employment Agreement, for a one-year term, with an increase in salary to consist of a five percent (5%) merit raise plus the Cost of Living Adjustment authorized under the Finance Manager’s current Employment Agreement. Commissioner Martin seconded the motion, which passed unanimously.

Commissioner Kunkel made a motion to approve the renewal of the Operations Manager’s Employment Agreement, for a one-year term, with an increase in salary to consist of the Cost of Living Adjustment authorized under the Operations Manager’s current Employment Agreement. Commissioner Martin seconded the motion, which passed unanimously.

Commissioner Kunkel made a motion to approve the renewal of the General Manager’s Employment Agreement, for a one-year term, with an increase in salary to consist of the Cost of Living Adjustment authorized under the General Manager’s current Employment Agreement. Commissioner Martin seconded the motion, which passed unanimously.

Mr. Martin and Ms. Crookston rejoined the meeting in person, and Bill Reynolds and Sergei Tarasov joined the meeting by Zoom, at 5:30 p.m.

### **PACE 2023 RATES**

Mr. Reynolds informed the Commissioners that PACE's proposed rates for services in 2023 are in the meeting agenda materials. The rates represent an increase of six to seven percent over the 2022 rates, due to the high inflation in 2022. Mr. Reynolds requested approval of PACE's 2023 rates. In response to a question from Commissioner Martin, Mr. Reynolds stated that PACE added new employees in 2022.

Commissioner Kunkel made a motion to approve the PACE 2023 rates. Commissioner O'Byrne seconded the motion, which passed unanimously

### **2023 WASWD DUES**

Ms. Crookston reported that the WASWD dues have increased, and will be \$15,580.87 for 2023. Commissioner O'Byrne commented that WASWD obtained a new computer system and hired a new employee, among other things. Commissioner Kunkel commented that inflation is affecting all agencies.

Commissioner O'Byrne made a motion to approve payment of the WASWD dues for 2023 in the amount of \$15,580.87. Commissioner Kunkel seconded the motion, which passed unanimously.

### **2023 SNO-KING DUES**

Mr. Russell reported that Sno-King is asking the District to renew its membership for 2023, with a membership contribution of \$2900. In 2022, the contribution was \$4400. The fee for 2023 is less, as Sno-King had funds remaining at the end of 2022. In response to a question from Commissioner Martin, Mr. Russell stated that the District does benefit from this membership. Commissioner Kunkel commented that the District needs to have a lobbyist representing District

interests to state legislators. Commissioner O'Byrne commented that it is beneficial to have the Sno-King lobbyist working with the WASWD lobbyist on issues that impact water-sewer districts.

Commissioner Kunkel made a motion to approve payment of the 2023 Sno-King membership contribution in the amount of \$2900.00. Commissioner O'Byrne seconded the motion, which passed unanimously.

Commissioner O'Byrne left the meeting at 5:40 p.m.

### **FCS GROUP PRESENTATION**

Mr. Russell introduced Sergei Tarasov of FCS Group to the Commissioners. Mr. Tarasov presented the FCS Group report on the District's rates and charges, following the power point presentation in the meeting agenda materials. Mr. Tarasov first discussed the District's water utility rates, including an overview of the rate setting process, and the key assumptions for the revenue and cost forecasts, which include a three percent increase in the SPU water cost and the direct pass-thru of the King County Treatment Plant charges. The District's only Public Works Trust Fund Loan will be paid in full in one year, and the District's capital projects can be paid for with reserves, GFC's and rates, without the need for new debt. Mr. Tarasov informed the Commissioners that with these assumptions, the District current rates are anticipated to be sufficient to cover the District's costs. Thus, no rate adjustments are necessary or recommended in the short term, although FCS Group recommends that the District's financial situation should be reviewed each year.

In response to a question from Commissioner Kunkel, Mr. Tarasov noted that even in 2027, the forecasted deficit is very small, only one percent.

Mr. Tarasov then discussed the District's sewer utility rates, including the key assumptions for the revenue and cost forecasts. As with the District's water utility, the District's capital sewer

utility projects can be paid for with reserves, GFC's and rates, without the need for new debt. No adjustments to the District's portion of the sewer rates are necessary or recommended at this time, although FCS Group recommends that the District review the situation each year. The amounts billed to customers will increase as the King County Treatment Plant charges increase, as the King County charges are passed through to the customers.

**AT&T LEASE**

Mr. Martin informed the Commissioners that the meeting agenda packet contains a draft lease proposed by AT&T, for the location of a monopole at the 1060 Reservoir Site, along with related survey information. The District's Engineer is reviewing the survey information, and the District's legal counsel is reviewing the lease provisions. The proposed lease will be brought back to the Board for discussion at a future meeting. Ms. Larson commented that she will be discussing the lease provisions with staff.

**ATTORNEY'S COMMENTS**

Ms. Larson wished everyone "happy holidays," and had no other comments.

**ENGINEER'S COMMENTS**

Mr. Reynolds had no other comments.

**MANAGERS' COMMENTS**

Ms. Crookston reported that the Auditor has been working on the District's audit for two weeks. The work on the Financial Statements will be complete in a few days. The Accountability audit will focus on the Crane Truck purchase, the 580 Reservoir Site Project change orders, and third-party billing. The target date for the exit interview is the January 25, 2023 meeting.

Mr. Martin informed the Commissioners that the Engineer provided change order requests for the Pleasant Cove Project, which are in the meeting agenda packet. These change orders are

for work or items that the District needs to have done as part of the Project. Mr. Martin and Mr. Reynolds explained the subject of each change order. In response to questions from Commissioner Kunkel, Mr. Reynolds stated that the requested amounts are relatively small, the Project cost is still below the cost to build a new lift station even with the change orders, and all of the costs are justifiable and necessary for the Project. However, the Project will not be negatively impacted if the Board waits until the next meeting to make a decision on the change orders. Mr. Martin concurred in these statements.

The consensus of the Commissioners, staff and Mr. Reynolds was that this item will be brought to the next meeting for the Commissioners' consideration.

Mr. Russell had no further comments.

#### **COMMISSIONERS' COMMENTS**

Commissioner Kunkel apologized for being out of town unexpectedly and in an area with poor cell phone coverage. He will be back in town for the Employee Recognition Event.

Commissioner Martin had no additional comments.

#### **OTHER DISTRICT BUSINESS**

None.

#### **ADDITIONAL CITIZENS' COMMENTS**

There were no citizens present.

#### **ADJOURNMENT**

As there was no further business or persons to be heard, the meeting concluded at 6:15 p.m.

**BOARD OF COMMISSIONERS**

  
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Suzi O'Byrne, Commissioner

  
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Douglas Kunkel, Commissioner

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Pam Martin, Commissioner