

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

Held on February 10, 2016

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 February 10, 2016. Commissioner Kunkel called the meeting to order at 5:00 p.m. Commissioners Anderson and Martin were present. District Staff Robert Russell and Todd Hynek were present. Marty Penhallegon, Consulting Engineer, and John Milne, General Counsel, were also present.

APPROVAL OF AGENDA

Russell advised a utility account matter related to District customer Dan Wu and a late fee should be removed from the proposed agenda because that matter would be rescheduled for consideration at a future Board meeting. Following discussion, Anderson made the motion to approve the agenda as amended. Martin seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of minutes – Regular Board Meeting of January 27, 2016.

Anderson made a motion to approve the consent agenda. Martin seconded the motion, which carried unanimously.

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizens in attendance.

SURPLUS PROPERTY

Russell recommended that certain District personal property which has no value be surplussed because the District does not need and will not have need or use for the property.

Following discussion, Martin made the motion to declare the property surplus to the District's needs and to authorize its disposal by District staff by the adoption of Resolution No. 1829.

Anderson seconded the motion, which carried unanimously.

ATTORNEY'S COMMENTS

There were none.

ENGINEER'S COMMENTS

There were none.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 044204 through 044234 in the amount of \$267,407.07.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010968 through 010990 in the amount of \$110,604.59.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 010991 through 011002 in the amount of \$11,850.00.

The Board approved for payment Capital Improvement Fund Voucher No. 044235 in the amount of \$5,208.61.

OPERATIONS MANAGER'S COMMENTS

Hynek reported on the recent preconstruction meeting for the 440 Reservoir Recoating Project. The contractor, Simpson Sandblasting and Special Coatings, has not yet provided a start date and District staff have some concern given the time frame to complete both the interior and exterior recoating projects so the reservoir will be on-line when required. Staff will keep the Board further advised.

Hynek requested Board authorization for two District employees to attend the ACE Conference in June, 2016. Hynek felt the conference would provide good training for the employees and access to industry trends. Following discussion, Martin made the motion to approve the conference attendance for the two employees. Anderson seconded the motion, which carried unanimously.

GENERAL MANAGER’S COMMENTS

Russell reported the District employee Patrick Martin had expressed interest in being considered for the District Operations Manager position which will be vacated by Hynek in June, 2016. Russell will keep the Board further advised.

Russell provided the Commissioners with copies of a listing of committee assignments as requested by the Commissioners at the January 27, 2016, Board meeting for further review and comment.

COMMISSIONERS’ COMMENTS

Martin reported on her attendance at the recent SPU Operating Board meeting.

Anderson reported he had attended a recent webinar sponsored by the State Association on preparation for seismic events.

ADDITIONAL CITIZENS’ COMMENTS

There were no comments from the citizens in attendance.

RECESS

At 5:20 p.m., Commissioner Kunkel recessed the Board meeting until 5:30 p.m. when the public hearing on the District’s proposed update of water and sewer general and local facility connection charges would be held.

PUBLIC HEARING – 2016 GFC/LFC UPDATE STUDY

At 5:30 p.m., Commissioner Kunkel reconvened open public meeting and the public hearing on the proposed adoption of updated water and sewer general and local facility connection charges. He stated the purpose of the public hearing was for the Board of Commissioners to hear whatever comments the public may have regarding the proposed adoption of updated water and sewer general and local facility connection charges. He also advised that a sign-up sheet had been provided for those parties desiring to address the Board to sign-up. He then introduced the Board of Commissioners, District staff, and the consultants, John Milne, the District’s attorney, and Marty Penhallegon, the District’s consulting engineer with PACE Engineers.

Milne then made a presentation on the District’s statutory authority and requirements pursuant to RCW 57.08.005 (11) to adopt and collect connection charges from parties desiring to connect their property to the District’s water and sewer utility systems. He also advised that, although the District was not required to hold a public hearing on the proposed adjustment of connection charges, the District normally did so before considering the revision of such charges. He reported that notice of the public hearing had been published in the Seattle Times, the District’s official newspaper of record, on January 27, 2016, and February 3, 2016, and had also been continuously posted on-line through the newspaper from January 27, 2016, to February 9, 2016.

Penhallegon then made a presentation on the findings and conclusions of his report entitled “2016 General Facility Charge & Local Facility Charge Study” dated January, 2016 (“Study”), a copy of which he submitted for the hearing record. He recommended the District’s

water and sewer GFC and LFC connection charges be revised as set forth in the “Executive Summary” of the Study.

Kunkel then requested comments from the public on the proposed adoption of updated water and sewer general and local facility connection charges. He noted the names on the sign-up sheet would be called to comment in the order of sign-in. He requested that, when parties addressed the Board, to state their name and address for the record. He also noted the hearing was being recorded so only one person should speak at a time and to speak clearly.

Mr. Edward Lammas, on behalf of Newcastle Joint Venture, the developer of the AvalonBay project in the District, stated he appreciated the District’s willingness and efforts to study and update the water and sewer connection charges. He also asked whether Penhallegon had depreciated the District’s existing water and sewer systems in the Study analysis.

Penhallegon and Milne advised the analysis had not included a factor for the depreciation of the District’s existing water and sewer systems. Rather, RCW 57.08.005 (11) required the District to include interest of up to ten years on the original cost of District utility systems.

As there were no further comments from the members of the public in attendance regarding the proposed revision of the District’s connection charges, Kunkel thanked the public for the comments provided and then closed the portion of the public hearing for public comment. He then stated the Board would consider the public comments in the Board’s determination whether to adjust and revise the District’s water and sewer connection charges. He noted the options now before the Board regarding the proposed adoption of the connection charges are:

1. Adopt a resolution approving the proposed updated water and sewer general and local facility connection charges as recommended by the consulting engineer.
2. Take the proposed adoption of the updated charges under advisement.

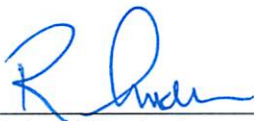
3. Request staff and the engineer revise the proposed charges for consideration by the Board of Commissioners at a future meeting.

The Commissioners then discussed the adjustment of the District's connection charges as proposed by the consulting engineer. Following discussion, given the consulting engineer's recommendation the connection charges now be revised as recommended and the absence of public comments in opposition to the proposed revisions, the Board authorized and directed District staff and the attorney to prepare a resolution revising the connection charges as proposed by the consulting engineer for consideration by the Board for adoption at the next regular meeting.

Kunkel then closed the public hearing and the Board continued with the remainder of the agenda items for the regular Board meeting.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:10 p.m.



Richard D. Anderson, Commissioner



Douglas C. Kunkel



Pamela A. Martin, Commissioner