

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

Held on February 14, 2018

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 14, 2018. Commissioner Pam Martin, Board President, called the meeting to order at 5:00 p.m. Commissioner Doug Kunkel, Board Vice President, and Commissioner Ric Anderson, Board Secretary, were also in attendance. District Staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Anne Paige, Finance Manager, were present. Dave Hutley, consulting engineer, and John Milne, District counsel, were also present.

APPROVAL OF AGENDA

Commissioner Kunkel made a motion to approve the agenda as proposed. Commissioner Anderson seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of Minutes – Regular Board meeting – January 24, 2017

Taylor Newcastle – Developer Extension Agreement Water and Sewer – Approval

Aldea 8 – Developer Extension Agreement Water and Sewer – Approval

Aldea 10 – Developer Extension Agreement Water and Sewer – Approval

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizen in attendance.

DISTRICT FINANCE TERMS

Russell reported a property owner in the Windtree area had recently contacted the District to finance the special local sewer connection charge applicable to his property. Russell had researched the terms the District had previously approved to allow the payment of the special connection charge on an installment basis. The Board had approved the terms by motion at the July 9, 2008, Board meeting. Russell recommended the financing terms now be codified by resolution for future identification purposes. Following discussion, the Board authorized and directed District staff and the attorney to prepare a resolution for consideration at the next regular Board meeting to codify the financing terms.

ATTORNEY'S COMMENTS

Milne reported on the status of the King County franchise compensation matter. In November, 2016, the King County Council had adopted an ordinance authorizing the imposition of a rental charge on utilities like the District to use King County rights-of-way. County staff had issued a rule to impose the charge which was effective January 29, 2018. Milne's office represented twenty-one Title 57 water-sewer districts opposed to the rental charge because water-sewer districts have independent statutory authority to maintain facilities in public right-of-way. Further, the County lacked express statutory authority to charge to use right-of-way as the County only had an easement for the right-of-way. Revenues derived from the rental charge were to be deposited in the County's general fund, and not necessarily used for road improvement purposes. Therefore, Milne felt the rental charge was a tax, and the County lacked statutory authority to impose such a tax. However, before the rule and rental charge took effect, King County had filed suit against the districts seeking a judicial determination the charge was lawful. Milne advised his

office would now file an answer and counter-claims to the County lawsuit and keep the Board further advised.

ENGINEER'S COMMENTS

Hutley provided a status report on various District engineering projects as set forth in a memo dated February 14, 2018.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 2191 through 2231 in the amount of \$283,656.11.

FINANCE MANAGER'S COMMENTS

Paige reported on matters relating to the District's Vision financial accounting software. She and Russell were currently considering three other options to replace Vision. They will keep the Board further advised.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin had no report.

GENERAL MANAGER'S COMMENTS

Russell reported he had been discussing the purchase and installation of security glass in the District's reception area with a vendor. He will keep the Board further advised.

Russell reported he would be out of the office the week of February 19, 2018 on vacation.

COMMISSIONERS' COMMENTS

Commissioner Anderson reported on his attendance at the most recent WASWD Section IV Committee meeting.

Commissioner Martin reported on her attendance at the February 1, 2018, Seattle Operating Board meeting.

Commissioner Martin noted the new monthly news article in the WASWD Pipeline regarding “above and beyond” district activities and suggested the District consider submitting an article focusing on District staff.

Commissioner Martin requested District staff make her aware of correspondence and other communications addressed directly to her upon receipt so she could timely consider the correspondence and respond if appropriate.

ADDITIONAL CITIZEN’S COMMENTS

Gordon Bisset, a City of Newcastle City Councilmember, reported the City’s street lighting project would commence mid-year and would be completed in phases.

EXECUTIVE SESSION – RCW 42.30.110 (1) (i) – POTENTIAL LITIGATION – 440

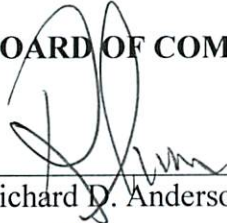
RESERVOIR RECOATING PROJECT

Russell and Milne requested an executive session to discuss a matter relating to the 440 Reservoir Recoating project which could potentially involve the District in litigation. Commissioner Kunkel so moved on that basis. Commissioner Anderson seconded the motion, which carried unanimously. Before convening the executive session at 6:15 p.m., Commissioner Martin advised the executive session would conclude at approximately 6:30 p.m. The Commissioners, District staff, Hutley and Milne then attended the executive session. At 6:30 p.m., the executive session was extended to 6:45 p.m., which was publicly announced. At 6:45 p.m., the executive session was concluded and open public meeting reconvened.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:50 p.m.

BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner