

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

Held on May 23, 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 May 23, 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, and Anne Paige, Finance Manager, were present. John Milne, District counsel, was also present.

APPROVAL OF AGENDA

Russell advised an executive session regarding the King County franchise compensation ordinance litigation would not be required. Following discussion, Commissioner Kunkel made a motion to approve the agenda as amended to delete that matter. Commissioner Anderson seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of Minutes – Regular Board meeting – May 9, 2018

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 citizens in attendance.

NEWCASTLE CHAMBER OF COMMERCE MEMBERSHIP

Russell reported the District's membership in the Newcastle Chamber of Commerce was subject to annual renewal at a cost of \$315. Following discussion, due to the benefits to the District

and its ratepayers to be involved in the local community, Commissioner Anderson made the motion to renew the District's membership in the Chamber at the cost of \$315. Commissioner Kunkel seconded the motion, which carried unanimously.

UTILITY SERVICE CHARGE RELIEF

Russell reported that, pursuant to RCW 57.08.014, the District offered a utility rate relief program for qualifying senior citizens and disabled persons. The District's current income qualifications were set forth in Resolution No. 1790 adopted by the Board in February, 2014. Russell reported the resolution authorized the updating of the income qualifications based on the identified Consumer Price Index (CPI), and based on the increase in the index, recommended the Board now increase the income thresholds for customers to qualify for rate relief.

The Commissioners then reviewed the income qualification requirements for the Cities of Bellevue and Renton, utilities adjacent to the District, and the amount for single persons of \$35,638.15, and \$38,028.51 for married/co-tenants, under the District's program if the CPI was applied to the amounts identified in Resolution No. 1790. Because the amounts as updated based on the CPI was consistent with Bellevue's and Renton's rate relief programs, Commissioner Anderson made the motion to update the District's income thresholds based on CPI effective immediately by the adoption of Resolution No. 1865. Commissioner Kunkel seconded the motion, which carried unanimously. The resolution will be presented at the next Board meeting for signature.

EQUIPMENT PURCHASE

Russell recommended the District's copiers which the Board authorized replacing at the May 9, 2018 meeting now be declared surplus and disposed of pursuant to applicable legal procedures as they were no longer needed by the District. Following discussion, Commissioner

Kunkel made the motion to declare the equipment surplus to the District's needs and authorize staff to dispose of the equipment in accordance with applicable law by the adoption of Resolution No. 1865. Commissioner Anderson seconded the motion, which carried unanimously. Commissioner Anderson suggested District staff check with other water-sewer districts to determine any interest in the surplus equipment.

ATTORNEY'S COMMENTS

Milne reported that King County now required franchises from water-sewer districts like the District with expired franchises to maintain facilities in King County right-of-way. He reported there was a group of districts with expired franchises he had previously represented to negotiate new franchise agreements with King County. He had prepared a form franchise for those districts and had provided that to King County staff for negotiation, but the negotiation of a new franchise had been delayed by King County's pursuit of rental compensation from districts to use the right-of-way. That issue was now being litigated in King County Superior Court. However, King County had agreed to recommence franchise negotiations, excluding the rental compensation term. Milne reported he had again been asked to represent a group of districts with expired franchises to negotiate a new franchise form. The districts included Coal Creek, Skyway, Sammamish Plateau, Water District No. 125, Valley View Sewer District, and Water District No. 49. He requested authorization to include Coal Creek in the group he would represent in the franchise negotiations, and to bill all districts in the group for his work, including Coal Creek, on an equal pro rata basis.

Following discussion, due to the financial and other benefits to the District to participate in the group represented by Milne in the franchise negotiation, Commissioner Kunkel made the motion to approve the District's participation in the group and to pay an equal pro rata share of the legal fees and costs incurred by Inslee Best to represent the group. Commissioner Anderson

seconded the motion, which carried unanimously. Milne and Russell will keep the Board further advised.

ENGINEER'S COMMENTS

There were no engineer's comments.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 2415 through 2447 in the amount of \$60,069.79.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$20,000.00.

FINANCE MANAGER'S COMMENTS

Ms. Paige reported she had talked with the CPA that day who would be uploading the District's 2017 financial statement on May 29, 2018.

Ms. Paige reported she had received a proposed agreement from Sage for a payroll subscription service. The monthly charge was \$95, but would the vendor would not accept payment by check or credit card. She advised she would explore creating an impressed bank account with the District's bank depository, HomeStreet Bank, for a monthly ACH payment. Following discussion, if the District has the authority to establish such an account for payment to Sage, the Board directed that the account carry a balance of not more than \$1,200 at any time. She will keep the Board further advised.

GENERAL MANAGER'S COMMENTS

Mr. Russell requested further direction regarding the scheduling of a workshop special Board meeting to discuss updates to the employee manual. Commissioner Kunkel will provide

possible meeting dates that work with his work schedule. District staff will then further coordinate the scheduling of the meeting with the commissioners.

COMMISSIONERS' COMMENTS

Commissioner Anderson reported on his attendance at the most recent meeting of the WASWD Technology Committee.

Commissioner Anderson reported on his attendance at the most recent meeting of the WASWD Board of Directors.

Commissioner Martin reported on her attendance at the most recent meeting of the WASWD Board of Directors.

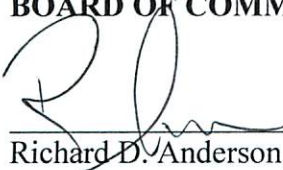
ADDITIONAL CITIZEN'S COMMENTS

Gordon Bisset requested information regarding certain property that may need District utility service. Russell then responded to his questions.

OTHER DISTRICT BUSINESS

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

BOARD OF COMMISSIONERS


Richard D. Anderson, Commissioner


Douglas C. Kunkel, Commissioner


Pamela A. Martin, Commissioner