

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

**Held May 27, 2015**

A regular meeting of the Board of Commissioners of Coal Creek Utility District was held at the District Office, 6801 – 132<sup>nd</sup> Place SE, Newcastle, Washington, on May 13, 2015. Commissioner Martin called the meeting to order at 5:00 p.m. Commissioners Anderson and Kunkel were present. District staff Robert Russell and Todd Hynek were present. John Milne, General Counsel, was also present.

**CONSENT AGENDA**

Approval of Minutes – Regular Board meeting of May 13, 2015.

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

**CITIZENS' COMMENTS AND CONCERNS**

Mrs. Linda Hannis, 12753 SE 73<sup>rd</sup> Court, Newcastle, Washington, addressed the Board regarding a sewer blockage as addressed in her “Claim for Damages” dated May 27, 2015. She requested the District reimburse her for costs incurred for plumbers to address a sewer blockage at her residence, which occurred recently. Roots from a tree adjacent to and on a District sewer line located at her property boundary had entered the District sewer line and caused a blockage in her side sewer. She contended the District AC sewer line had allowed the roots to enter.

However, District staff advised the type of sewer line was not an issue; rather, the proximity of the tree to the sewer line was the issue because tree roots are invasive to utility lines. That is why District easements prohibit the planting and maintenance of trees and other

deep-rooted shrubbery within the easement. Trees also restrict access to the lines if repair or replacement is necessary.

Milne advised the District would only be responsible for damage caused by its utility lines if it was negligent in the maintenance or operation of the lines. In this instance, the tree caused the problem, and the District did not own or have control over the tree. However, Milne felt the District could compromise the claim with Hannis if the Board felt that was appropriate, but should obtain a release if any settlement of the claim was reached.

Commissioner Anderson asked if the tree was in City right-of-way, or on private property. If the tree was located in right-of-way, he asked if the City was responsible for the tree and any property damage it may cause. Following discussion, the Board determined to take the matter under advisement and requested Mrs. Hannis contact the City to determine whether the tree was located in right-of-way, and if so, whether the City will accept responsibility for the tree. Staff will keep the Board further advised.

### **STREET LIGHT RATE STUDY**

Russell reported Staff had gathered data from PSE, calculated District time and overhead related to the billing of street lighting services and was formulating a proposed rate increase to fully recover District costs incurred to bill street lighting services. Staff also recommended the existing resolution regarding street lighting systems, Resolution No. 893, be updated and superseded, especially to recover District costs incurred to form street lighting systems.

Following discussion, given Commissioner Kunkel's experience with cost of service studies, the Board authorized him to work with staff to recommend an adjusted street lighting service billing fee.

### **FINANCIAL AND BUDGETARY POLICY**

Russell advised a draft financial management policies update was available on Dropbox for review and comment. He advised the District's accountant had provided comments on the draft and the District's investment bank, Jim Nelson, was also reviewing the policy. Nelson had recommended the District update its financial policies prior to the review of the District's bond rating. Following discussion, the Board took the draft policy under advisement for further consideration and possible adoption at the next Board meeting.

### **ATTORNEY'S COMMENTS**

There were no comments from the attorney.

### **OPERATIONS MANAGER'S COMMENTS**

Hynek reported the District had received six proposals relative to its RFP for billing and financial services. He will report further at the next regular meeting regarding the identification of the most qualified party submitting a proposal, and request authorization to negotiate a contract with that party for Board consideration and approval.

Hynek reported a District customer had experienced an unusually high water consumption reading. Their normal reading for the relevant time period was 2,000 CF, but recently had received 23,000 CF. District staff had tested their water meter, but the testing had confirmed the meter's accuracy. He reported that the customer is aware of the issue and is monitoring their usage to try and find out what the issue is and may come to the next meeting to request a leak credit. Commissioner Martin suggested that they have their irrigation system checked before requesting a credit.

Hynek provided the Commissioners with copies of a letter dated May 26, 2015, from Aegis Living requesting the District's connection charge rate for a new assisted living facility

with 110 units Aegis planned to construct be reduced. The Board took the letter request under advisement for discussion at the next regular meeting.

### **GENERAL MANAGER'S COMMENTS**

Russell advised that, although the Board was aware of the 1060 Reservoir Pump House project and staff had periodically reported to the Board regarding the status of that project which was now completed, formal Board authorization to proceed with the project had not been included in the Board meeting minutes. Therefore, Russell suggested the Board adopt a motion ratifying and confirming Board authorization to District staff to construct the Pump House project. Following discussion, Kunkel made the motion to ratify and confirm the Board's authorization to District staff to construct the Pump House at the 1060 Reservoir. Anderson seconded the motion, which carried unanimously.

Russell advised the sale of the District's Former Operations Center to the City of Newcastle had closed on May 21, 2015.

Russell reported that the District's investment banker, Jim Nelson, had advised him that, even if the District was unable to obtain bank financing to pay off the District's USDA Rural Development loan, USDA may still require the District to pay off the RD loan due to the District's financial position. However, Russell advised that District funds were dedicated to construct improvements identified on the District's capital improvement project list and for other purposes, and were not excess to the District's needs. He will keep the Board further advised.

### **COMMISSIONER'S COMMENTS**

Anderson reported on his attendance at the recent State Association Technology and Government Relations Committee meetings.

Anderson reported on the State Association Conference and Training Committee's scheduling of a Commissioners' Workshop for Eastern Washington on July 9, 2015. He also reported on planning for the State Association Fall Conference to be held in Wenatchee on September 23 – 25, 2015.

Kunkel reported on his attendance at the most recent Newcastle Chamber of Commerce event which had been held at the Regency.

Martin reported on her attendance at the recent State Association Government Relations Committee meeting.

Martin reported on her attendance at the State Association Board of Directors' workshop, the Board meeting and the State Association Section IV meeting.

#### **ADDITIONAL CITIZEN'S COMMENTS**

There were none from the citizens in attendance.

#### **APPROVAL OF VOUCHERS**

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 043614 through 043635 in the amount of \$70,559.15.

#### **OTHER DISTRICT BUSINESS**

As there was no further business or persons to be heard, the meeting was concluded at 6:35 p.m.

  
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Richard D. Anderson, Commissioner

  
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Douglas C. Kunkel, Commissioner

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Pamela A. Martin, Commissioner