

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

Held on July 12, 2017

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 July 12, 2017. Commissioner Ric Anderson, Board President, called the meeting to order at 5:00 p.m. Commissioner Pam Martin, Board Vice President, and Commissioner Doug Kunkel, Board Secretary, were also in attendance. District Staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Tish Hunter, Finance Manager, were present. John Milne, general counsel, was also present.

APPROVAL OF AGENDA

Russell advised that Commissioner Martin had requested some revisions to the June 28, 2017, draft Board meeting minutes and suggested the approval of those minutes be moved from the consent agenda to be a separate agenda item. Following discussion, Commissioner Kunkel made the motion to approve the agenda as amended to consider the approval of those minutes as a separate agenda item. Commissioner Martin seconded the motion, which carried unanimously.

CONSENT AGENDA

Notch Apartments – Developer Extension Agreement – Water and Sewer Design Approval

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizen in attendance.

ATTORNEY'S COMMENTS

Milne reported on a recent Washington Court of Appeals decision which held the City of Othello had the authority to define what party – the property owner or the City – owned and was responsible for a side sewer. The decision was favorable to the City as the owner of the sewer system. He will provide a copy of the opinion to District staff for their information.

ENGINEERS REPORT

There was no engineer's report.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1760 through 1800 in the amount of \$393,971.55.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$112,458.83.

FINANCE MANAGER'S COMMENTS

Hunter advised that information regarding cleaning/janitorial services and the possible procurement of a new asset management system was in Dropbox for the Commissioners' review for consideration at the July 19, 2017, special workshop meeting.

OPERATIONS MANAGER'S COMMENTS

The Operations Manager had no comments.

GENERAL MANAGER'S COMMENTS

1. **Doxo.** Russell reported he and Milne had discussed issues related to Doxo, a third party on-line bill payment service, with the Executive Director of the State Association. As discussed at the June 28, 2017, Board meeting, Russell was concerned that the payment website

established by Doxo for Coal Creek customers may be deceptive and confusing to District customers who may mistake the Doxo site for the District's official website. Further, District customers are not charged any fee to use the District's on-line payment service offered through Paymentus, and their payments are quickly posted to their accounts with the District. However, District customers using the Doxo website are charged a fee, and the payment to their District utility account may be delayed. If delayed, their account may be charged a late payment penalty. The Board at the June 28 meeting had authorized District staff to post a warning on the District's website and in customer billings. The warning would advise of the District's on-line bill pay service through Paymentus where there was no fee or charge to use the service, that payments were posted quickly to the account of the customers using the Paymentus service, and advising of the issues relating to other third party on-line bill payment services which charged fees and may not promptly pay utility billings. Russell advised that the warnings had been implemented.

The Board had also authorized and directed Russell and Milne to contact the Executive Director of the State Association, advise the Executive Director of the District's concerns regarding the third party on-line bill payment services, and determine whether the Association would be interested in taking action relative to the matter on behalf of the Association's members, many of whom are impacted by the Doxo service. They had discussed the matter with the Executive Director, who had invited them to address the State Association Board of Directors at the next Board meeting to be held on July 24, 2017, regarding the matter. They will propose that the Association fund the legal research regarding the matter.

Following discussion, the Board authorized and directed Russell and Milne to attend the Association Board meeting, propose the Association fund the legal research regarding the matter, and report back to the District Board.

2. Cancellation of Board Meetings. Russell reported he felt the Board meeting could have been cancelled because there was little business to consider. In the absence of meeting topics, he asked if he had authority, in consultation with the Board President, to cancel a meeting.

Commissioner Anderson felt that, because the General Manager established the Board meeting agendas, the General Manager should have the authority to cancel a Board meeting if he felt there was insufficient District business for the Board to consider.

Commissioner Kunkel asked how the General Manager would know if a commissioner had a significant topic to discuss under the "Commissioners' Comments" portion of the Board meeting.

Commissioner Martin felt the General Manager should poll all of the Commissioners by phone before determining whether to cancel a Board meeting for insufficient business.

Following further discussion, Commissioner Kunkel made the motion to adopt the following process regarding the possible cancellation of Board meetings: the General Manager was authorized to determine to cancel a Board meeting for lack of sufficient District business to consider, subject to sending by email a notice of intent to cancel the meeting to all of the commissioners; if commissioners respond to the email notice and a majority express their opinion not to cancel the Board meeting, the meeting will not be cancelled. Commissioner Anderson seconded the motion, which carried by a vote of 2-1, Commissioner Martin voting against based on her position the General Manager should telephone all of the Commissioners to determine their position before a Board meeting is cancelled.

COMMISSIONERS' COMMENTS

Commissioner Martin reporting on her attendance at the July 6, 2017 Seattle Public Utilities Operating Committee meeting.

Commissioner Martin provided further information regarding her request for reimbursement for her recent travel to the AWWA conference that had been held in Philadelphia. She had taken the train one-way and had returned by air first class, but she felt the one-way first class airfare cost less than round trip coach air fare to the conference. She had provided District staff with an email dated January 12, 2017, documenting costs on the round trip coach cost versus the one-way first class cost. It was her understanding District management staff would confirm the propriety of her arrangements with the Auditor's Office.

Russell advised that he was not comfortable with her travel arrangements and had requested Commissioner Martin discuss the arrangements with the Board and obtain approval. However, she had not done so for several months.

Commissioner Martin stated that it was not her understanding that Russell had requested she obtain Board approval of her travel arrangements and their cost before she attended the conference.

Commissioner Kunkel stated it was his understanding that Commissioner Martin was to prepare and submit to the State Auditor's Office a memo of her travel arrangements to attend the conference, and receive an opinion from the State Auditor's Office, before she attended the conference.

Commissioner Martin felt she was doing so now by her email explanations, and that, consistent with her understanding each commissioner could make their own travel arrangements, she had done so, and she felt the arrangements were consistent with the District's travel and

conference attendance resolution policies. It was also Commissioner Martin's understanding that she was not supposed to contact the auditor directly, so she did not.

Commissioner Anderson stated he felt Commissioner Martin should have brought her proposed travels arrangements and attendant cost to the Board for approval before she had made the reservations and taken the trip. He stated the travel funds were ratepayer funds and should be expended economically.

Commissioner Martin stated she would now prepare a memo of her conference travel expenses to include her January 12, 2017, and July 12, 2017, emails to District management staff. The Commissioners then authorized District management staff to contact the State Auditor's Office to determine the propriety of the expenses and report back to the Board.

Commissioner Kunkel clarified to District staff that the special Board workshop meeting was scheduled for Wednesday, July 19, and not Tuesday, July 18. Commissioner Anderson noted he might be late if the meeting started at 2:00 p.m. due to a medical appointment. Following discussion, the Board determined to revise the start time of the July 19 special workshop meeting to 2:30 p.m. at the District office, instead of 2:00 p.m., to consider the special agenda topics as identified by the General Manager.

JUNE 28, 2017 BOARD MEETING MINUTES

The Commissioners discussed the June 28, 2017, draft Board meeting minutes. Commissioner Martin stated, as she had set forth in an email dated July 12, 2017, to Russell, it had always been her understanding that, once she took the trip to Philadelphia, she would submit an expense report with an explanation of the justification of the one-way first class airfare which she felt was less than the round trip airfare. It was also her understanding District staff would then contact the State Auditor's Office and obtain their advice on the propriety of her

arrangements. Therefore, she requested those statements be included in the June 28, 2017, Board meeting minutes. She also requested clarification in the minutes that she would not again purchase first class air fare “on a District credit card”.

Commissioner Kunkel also requested that his comments in the draft June 28, 2017, Board meeting minutes be clarified to state that it was his understanding Commissioner Martin was going to check with the State Auditor’s Office “before the trip was taken” to determine whether the purchase of first class airfare was appropriate.

Following discussion, the Board approved the clarifications to the June 28, 2017, Board meeting minutes as requested by Commissioners Martin and Kunkel. Commissioner Kunkel then made the motion to approve the June 28, 2017, Board meeting minutes as amended. Commissioner Martin seconded the motion, which carried unanimously.

ADDITIONAL CITIZEN’S COMMENTS

Gordon Bisset, a City of Newcastle City Councilmember, advised that he had shared the information the District had provided regarding Doxo with City Staff to determine whether Doxo had established an unauthorized website for the City.

EXECUTIVE SESSION – RCW 42.30.110 (1) (G)

Russell requested an executive session pursuant to RCW 42.30.110(1)(g) to review the performance of a public employee and to evaluate the qualifications of applicants for public employment. Following discussion, Commissioner so moved on that basis. Commissioner Kunkel seconded the motion, which carried unanimously. Before convening the executive session at 6:40 p.m., Commissioner Anderson advised the executive session would conclude at approximately 7:00 p.m. The Commissioners and all management staff then attended the executive session, and Milne was excused from the Board meeting.

At 7:00 p.m., the executive session was extended to 7:15 p.m., which was publicly announced.

At 7:15 p.m., the executive session was extended to 7:30 p.m., which was publicly announced. At 7:30 p.m., the executive session concluded and open public meeting reconvened.

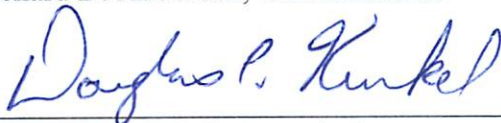
OTHER DISTRICT BUSINESS

As there was no further action by the Board or business or persons to be heard, the meeting concluded at 7:35 p.m.

BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner