

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

Held on December 12, 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 December 12, 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, Anne Paige, Finance Manager, and Patrick Martin, Operations Manager, were present. Dave Hutley, consulting engineer, and John Milne, District counsel, were also present.

APPROVAL OF AGENDA

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

CONSENT AGENDA

Approval of Minutes – Regular Board Meeting of October 24, 2018.

Approval of Minutes – Regular Board Meeting of November 28, 2018.

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

CITIZENS' COMMENTS / CONCERNS

There were no comments from the citizen in attendance.

2019 CONSULTING SERVICES FOR WASWD SECTION IV

The Commissioners considered a letter dated November 26, 2018, from Cedar River Water & Sewer District requesting a contribution to defray expense for staffing to monitor certain King

County activities, including the Regional Water Quality Committee. Russell reported the District has contributed to paying for the expense previously. Following discussion, the Board directed staff to obtain further information regarding the level of contribution from other King County water-sewer districts for the projected 2019 expenses and to then report back to the Board. The Board will then consider whether to continue to contribute, and, if so, how much to contribute.

2019 ENGINEERING SERVICES – PACE ENGINEERS

Hutley requested the Board approve adjusted rates and charges for engineering services for the year 2019 as set forth in a letter proposal dated December 4, 2018, to the District. Following discussion, Commissioner Kunkel made the motion to approve the adjusted rates and charges effective January 1, 2019. Commissioner Anderson seconded the motion, which carried unanimously. Hutley thanked the Board for approving the adjustment.

2019 LEGAL SERVICES – INSLEE BEST

Milne requested the Board approve adjusted rates and charges for legal services for the years 2019-2020 as set forth in a memo proposal dated December 12, 2018, to the District. Following discussion, Commissioner Anderson made the motion to approve the adjusted rates and charges effective January 1, 2019, and to authorize the General Manager to sign the services agreement on behalf of the District. Commissioner Kunkel seconded the motion, which carried unanimously. Milne thanked the Board for approving the adjustment.

580 RESERVOIR SITE ROCK SCALING – FINAL ACCEPTANCE

Hutley provided the Commissioners with copies of a letter dated December 12, 2018, recommending the final acceptance of the public works project improvements. Following discussion, Commissioner Anderson made the motion to grant final acceptance to the project

improvements by the adoption of Resolution No. 1874. Commissioner seconded the motion, which carried unanimously.

CHRISTELLE RIDGE/CITY OF RENTON SEWER SERVICE PROPOSAL

Russell requested Board direction regarding a proposal as set forth in a letter dated October 24, 2018, to the District from City of Renton staff that the 20 lot Christelle Ridge development and other properties with a potential of 30 additional lots permanently discharge into a District sewer main adjacent to those properties. Discharging into the District's sewer system would avoid the expense to construct a lift station to pump the wastewater from the identified properties into the City's sewer system. If the District agreed to allow those properties to connect to and discharge into the District's sewer system, City staff proposed the property owners/developers pay the District's sewer general facilities charge for each lot, and a one-time charge to cover on-going operation and maintenance costs incurred by the District to receive wastewater from the properties on a permanent basis. Russell advised the wastewater would flow through two District lift stations before discharge into King County's regional wastewater system.

Milne and Hutley recommended, if the District approved the connection of the properties to the District's sewer system, that the properties be treated like other District retail sewer customers, including the payment of all applicable District sewer connection fees and charges, and bi-monthly sewer rates and charges. However, by written agreement with Renton, the sewer customers could be transferred to Renton at a later date if the City desired such in the future. Alternatively, if the District did not require the lots to be served by District customers, the District should then require payment of District sewer connection charges and an on-going wheeling charge to the City, which would be updated periodically to make sure the District was recovering its on-going operation and maintenance cost to accommodate the discharge.

Commissioner Anderson was inclined to let the service area boundary between the District and the City determine the method of service.

Commissioner Kunkel was open to allowing the properties within the Renton sewer area boundary discharge to the District's sewer system if the District fully recovered its on-going actual cost to provide sewer service to the Renton properties.

Commissioner Martin felt it was more appropriate the properties be treated like District retail sewer customers as recommended by Milne and Hutley, but that the properties could be transferred back to the City when the City so desired.

Russell felt the situation was unusual, but it was his preference the District provide sewer service to the properties as District customers. Otherwise, he felt the City's proposal of a one-time payment for on-going District operation and maintenance expense was inadequate and the District would not fully recover its future cost and expense to serve the properties under that proposal.

Following discussion, there was Board consensus to authorize District staff to communicate the District's preference to the City that, if the District approved the connection of the properties to the District's sewer system, the properties would be treated like other District retail sewer customers, including the payment of all applicable District sewer connection fees and charges, and pay bi-monthly sewer rates and charges; however, by written agreement with Renton, the sewer customers would be transferred to Renton at a later date if the City desired such in the future.

440 RESERVOIR PAINT PROJECT/DOR RETAINAGE DEMAND

Russell reported the District had received a retainage lien from the State of Washington Department of Revenue demanding payment of the \$49,527.60 retainage currently held by the District for the 440 Reservoir Recoating Project performed by Simpson Sand Blasting for unpaid

taxes. Russell had advised DOR that the District could not immediately pay the retainage to the State, and Hutley had advised Simpson of the State's demand if Simpson felt it was appropriate to take any legal action to prevent the payment. If Simpson does not take any action to prevent the District from paying the retainage to the State, Russell advised the District must now do so. He will keep the Board further advised.

ACCESSORY DWELLING UNIT POLICY

Russell updated the Board on staff recommendation regarding the treatment of accessory dwelling units (ADU) and whether additional connection charges and other requirements were applicable to such ADUs. He recommended the requirement of at least a one (1) inch water meter for ADUs, in addition to other requirements as set forth a draft resolution he provided to the commissioners. Following discussion, Commissioner Anderson made the motion to approve a District policy regarding ADUs by the adoption of Resolution No. 1875. Commissioner Kunkel seconded the motion, which carried unanimously.

ATTORNEY'S COMMENTS

Milne reported he had recently been contacted by a Washington Assistant Attorney General regarding a litigation matter the Attorney General's office had recently filed which included the District as a party to the litigation. The State of Washington Department of Transportation must acquire an easement on private property which had previously been assessed for a sewer ULID by the District, and notice of the assessment remained on the property. However, because the District assessment has been paid in full, Milne will now work with the State's attorneys to have the District dismissed from the lawsuit.

ENGINEER'S COMMENTS

Hutley presented a report dated December 12, 2018, on the status of various District engineering projects.

APPROVAL OF VOUCHERS

The Board approved Water/Sewer Maintenance Fund Voucher Nos. 2842 through 2861 in the amount of \$256,919.45.

The Board approved Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$127,141.52.

FINANCE MANAGER COMMENTS

Paige reported on the draft District budget.

Paige reported she had been informed by the Union representing the District's field employees that the Union won't require the District to bargain the Board's decision regarding the District's implementation of the requirements of the new provisions of the State Medical and Family Leave Act (Act), which will be effective January 1, 2019. The Board will further discuss the implementation of the Act as further information is available from the State in 2019.

Paige reported on a District customer who had recently applied for the District's senior and low income utility rate discount program. District staff had determined the customer did not qualify to participate in that program as his gross annual income far exceeded the District's maximum income requirement. He may appeal the Staff determination to the Board.

Paige reported on a District customer who was repeatedly on the District's shut-off list due to timely pay utility bills. The customer may appeal the Staff's action to the Board.

Paige proposed the District business office be closed on Fridays at 3:30 p.m. to be consistent with the schedule for District field employees and because very few District customers come to the District office at that time. Following discussion, there was Board consensus to close

the District office on Fridays at 3:30 p.m. on a trial basis for six (6) months. Staff will report back to the Board on the schedule change.

OPERATIONS MANAGER’S COMMENTS

Mr. Martin reported on past issues with Sensus water meters. Approximately 430 Sensus meters purchased prior to 2014 had malfunctioned and needed to be replaced. He had worked with District counsel to send a letter demand to Sensus regarding the matter. Following discussion, there was Board consensus to authorize District staff to send the demand letter to Sensus/Ferguson. Mr. Martin will keep the Board further advised.

GENERAL MANAGER’S COMMENTS

Russell recognized and thanked Mr. Hutley for his many years of service to the District. Mr. Hutley will be retiring at the end of December and arrangements have been made for a successor engineer from PACE to attend District Board meetings and provide engineering services and consultation.

COMMISSIONERS’ COMMENTS

Commissioner Anderson reported on his attendance at a recent webinar on the new FMLA.

Commissioner Anderson reported he planned to attend the next WASWD Government Relations committee meeting.

Commissioner Anderson thanked Mr. Hutley for his many years of service to the District.

Commissioner Kunkel thanked Mr. Hutley for his many years of service to the District.

Commissioner Martin thanked Mr. Hutley for his many years of service to the District.

Commissioner Martin reported on Seattle’s efforts to make publicly available its recent SPU Seismic Study.

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

Following discussion, by motion made, seconded and carried unanimously, the Board determined to cancel the next regular Board meeting scheduled for December 26, 2018.

Following discussion, by motion made, seconded and carried unanimously, the Board determined to schedule a special Board meeting for December 20, 2018, at 11:30 a.m. at Terry's Kitchen, Bellevue, Washington, for the purposes of an employee recognition lunch and any other business that may come before the Board. Staff were instructed to post notice of the cancellation of the regular meeting and the scheduling of the special meeting as required by law.

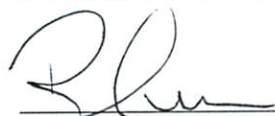
ADDITIONAL CITIZEN'S COMMENTS

There were no citizens in attendance.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 7:10 p.m.

BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner

Pamela A. Martin, Commissioner