

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

Held on March 8, 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 March 8, 2017. Commissioner Ric Anderson, Board President, called the meeting to order at 5:00 p.m. Commissioner Pamela 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

Following discussion, Commissioner Martin made the motion to approve the agenda. Commissioner Kunkel seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of minutes – Regular Board Meeting of January 25, 2017

Approval of minutes – Special Board Meeting of February 10, 2017

Resolution No. 1843 – Credit Card Policy

Commissioner Martin 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.

SURPLUS PROPERTY

Russell requested the Board declare certain meters surplus to the District's need and authorize the sale of the meters as scrap. Following discussion, Commissioner Kunkel made the motion to declare the personal property and authorized its sale by the adoption of Resolution No. 1844. Commissioner Martin seconded the motion, which carried unanimously.

VACTOR TRUCK REPAIRS

Mr. Martin requested the Board authorize repair work for the District's Vactor truck as addressed in a repair estimate dated February 21, 2017, from Owen Equipment. Following discussion, Commissioner Kunkel made the motion to authorize the repair work at a cost not to exceed \$25,000, including tax. Commissioner Martin seconded the motion, which carried unanimously.

KING COUNTY FRANCHISE STATUS

Milne reported on the efforts of a group of King County water-sewer districts, in conjunction with the Washington Association of Sewer and Water Districts (WASWD) in opposition to King County's recent adoption of an ordinance increasing the costs to obtain a franchise for utilities located in King County right-of-way, including a "rental fee" for the use of the right-of-way. Many districts opposed the "rental fee", and Milne advised there were strong legal arguments the County lacked authority to impose such a charge. He reported that a group of utility representatives had met with King County staff on January 12, 2017, and King County staff had responded to the group by letter dated February 3, 2017. Jim Kuntz, the WASWD Executive Director, had responded to the letter and continued to express the districts' opposition to the right-of-way rental fee. Milne advised a public records request would soon be issued to King County to obtain more information regarding the franchise ordinance and the "rental fee". He will keep the Board further advised.

ENGINEER'S COMMENTS

Mr. Martin presented a report dated March 8, 2017, from the engineer who was not in attendance on the status of ongoing engineering projects. With respect to the Adela Vista Sewer Extension project, Mr. Martin reported the developer will be requesting the District participate in the cost to install the sewer extension due to its depth to serve other property in the area in addition to the Adela Vista property. If a formal request for reimbursement is received from the developer, Mr. Martin will discuss the request further with the engineer and the General Manager and will then report back to the Board with a recommendation.

Mr. Martin reported on further discussions with WSDOT design staff regarding the possible relocation of District utility facilities at WSDOT expense relating to the planned I-405 expansion.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1448 through 1475 in the amount of \$95,476.61.

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 1476 through 1502 in the amount of \$283,257.73.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$13,600.00.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$114,693.39.

FINANCE MANAGER'S COMMENTS

Ms. Hunter reported she had confirmed from the September 12, 2012, Board meeting minutes that, when an employee or commissioner “opts out” of the District’s insurance coverage,

the Board had authorized a contribution to an “opting out” employee’s or commissioner’s HRA VEBA account on a monthly basis in the amount of the health insurance premium for a single District insurance subscriber. Because District Staff had not adjusted the contribution amount since the contribution policy was adopted, Hunter will now calculate the amount owing to the three individuals in the “opt out” category and will report back to the Board for authorization to now make an additional contribution to the individual HRA VEBA accounts of the individuals qualifying for the contribution.

OPERATIONS MANAGER’S COMMENTS

There were none.

GENERAL MANAGER’S COMMENTS

Russell requested authorization to purchase 5 shirts with the District logo for each office staff employee to be worn by the employee at work. Russell advised the District already purchased clothing for represented employees and he felt it was appropriate to also purchase work apparel for office staff. It was also his intent to include a clothing benefit in the non-represented employees’ employee manual when it was updated later in the year. Following discussion, Commissioner Martin made a motion to authorize the General Manager to purchase the clothing as requested. Commissioner Kunkel seconded the motion, which carried unanimously.

COMMISSIONERS’ COMMENTS

Commissioner Martin provided District staff with information regarding certain training courses for their information.

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

Commissioner Martin reported on her attendance at the recent State Association Board of Directors' meeting. She reported that Jim Kuntz, the Association Executive Director, was now meeting with the Boards of all Association members and she suggested District staff arrange for Kuntz to attend a Coal Creek Board meeting.

Commissioner Anderson reported he planned to attend the Government Relations Committee meeting to be held the following day.

ADDITIONAL CITIZEN'S COMMENTS

Gordon Bisset, a City of Newcastle City Councilmember, noted that the City was currently working with the developer of the China Falls Lot 38 sewer extension project on a drainage easement issue. He noted the project was also referenced on the District engineer's project status report and suggested District staff coordinate with City staff on the project if appropriate.

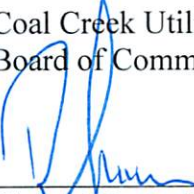
EXECUTIVE SESSION

There was no need for an executive session

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:25 p.m.

Coal Creek Utility District
Board of Commissioners



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner