

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

Held on February 28, 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 February 28, 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, Patrick Martin, Operations Manager, and Anne Paige, Finance Manager, were present. John Milne, District counsel, were also present.

APPROVAL OF AGENDA

Commissioner Kunkel made a motion to approve the agenda as amended to delete the executive sessions listed on the agenda. Commissioner Anderson seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of Minutes – Regular Board meeting – February 28, 2018

Adela Vista – Developer Extension Agreement Water and Sewer – Renewal Approval

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

CITIZENS' COMMENTS / CONCERNS

There were no citizens in attendance.

DISTRICT SPECIAL SEWER LOCAL FACILITY CONNECTION CHARGE FINANCE

TERMS

Russell previously reported the District had authorized by motion the payment of the Lower May Creek/Windtree special sewer local facility connection charges by installment payments, at the property owner's option. He recommended the financing terms now be codified by resolution for future identification purposes. The Board had then directed District staff and the attorney to prepare a resolution for consideration at the next regular Board meeting to codify the financing terms. He then presented a proposed resolution to allow the financing of the Lower May Creek/Windtree special sewer local facility connection charges. However he also presented a proposed resolution to allow the financing of the Lake Boren special sewer local facility connection charges because the Board had also previously authorized the payment of those charges by installment payments.

Following discussion, Commissioner Kunkel made the motion to adopt Resolution No. 1859 authorizing the payment of the Lower May Creek/Windtree special sewer local facility connection charges in installments, and approving a form installment payment agreement as attached to the resolution. Commissioner Anderson seconded the motion, which carried unanimously.

Commissioner Kunkel then made the motion to adopt Resolution No. 1860 authorizing the payment of the Lake Boren special sewer local facility connection charges in installments, and approving a form installment payment agreement as attached to the resolution. Commissioner Anderson seconded the motion, which carried unanimously.

ATTORNEY'S COMMENTS

Milne reported on the status of the King County franchise compensation matter. In November, 2016, the King County Council had adopted an ordinance authorizing the imposition of a rental charge on utilities like the District to use King County rights-of-way. County staff had issued a rule to impose the charge which was effective January 29, 2018. Milne's office represented twenty-one Title 57 water-sewer districts opposed to the rental charge because water-sewer districts have independent statutory authority to maintain facilities in public right-of-way. Further, the County lacked express statutory authority to charge to use right-of-way as the County only had an easement for the right-of-way. Revenues derived from the rental charge were to be deposited in the County's general fund, and not necessarily used for road improvement purposes. Therefore, Milne felt the rental charge was a tax, and the County lacked statutory authority to impose such a tax. However, before the rule and rental charge took effect, King County had filed suit against the districts seeking a judicial determination the charge was lawful. Milne advised his office had filed an answer and counter-claims on February 14, 2018, to the County lawsuit. He advised discovery would now commence and that he will keep the Board further advised. It was also his understanding the Seattle Times may soon publish a story on the County right-of-way rental charge/tax, and, if so, he or District staff would provide a copy of the article to the commissioners.

Relative to the District's 440 Reservoir Recoating project, Milne reported he had conveyed the District's settlement offer by letter to the attorneys representing the painting contractor to attempt to resolve the issue regarding the contractor's delayed completion of the project work and the District's right to impose liquidated damages for delayed completion. He will keep the Board further advised.

ENGINEER'S COMMENTS

There were no engineer comments.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 2232 through 2262 in the amount of \$63,371.08.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$18,300.00.

FINANCE MANAGER'S COMMENTS

Paige reported the audit exit conference for the year 2016 with the auditor was scheduled for the March 14, 2018, Board meeting.

Paige reported on matters relating to the District's Vision financial accounting software. She and Russell were currently considering other options to replace Vision. They will keep the Board further advised.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported on his attendance at the MWPAAC meeting that day.

Mr. Martin reported he had received the 2018 overlay schedule from the City of Newcastle and would report further regarding the work required by the District due to the City's overlay projects.

Mr. Martin reported the deadline for applications for the District's meter reader position was March 2, 2018. He will keep the Board further advised.

GENERAL MANAGER'S COMMENTS

Mr. Russell reported on personnel matters.

COMMISSIONERS' COMMENTS

Commissioner Anderson reported on his attendance at the most recent WASWD Conference and Training Committee meeting. He advised the 2019 Commissioners' Workshop was scheduled for Saturday, January 26, 2019. He also advised WASWD was now accepting proposed topics for presentation at the Fall Conference to be held in Spokane.

Commissioner Anderson reported he had attended the most recent WASWD Board of Directors meeting, but deferred to Commissioner Martin to report on that meeting.

Commissioner Martin reported on her attendance at the most recent WASWD Board of Directors meeting and workshop. She reported the Association was updating its employee manual and she would be providing her comments on the draft update to the Association's Executive Director.

Commissioner Martin reported she planned to attend the March 1, 2018, Seattle Operating Board meeting and would report back to the Board.

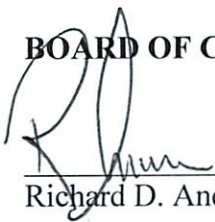
ADDITIONAL CITIZEN'S COMMENTS

There were no citizens in attendance.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 5:50 p.m.

BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner