

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

Held on March 27, 2024

A regular meeting of the Board of Commissioners of Coal Creek Utility District was held in-person and by remote means at the District Office, 6801 – 132nd Place SE, Newcastle, Washington, on March 27, 2024. Commissioner Suzi O’Byrne, Board Secretary, attended in person, and called the meeting to order at 2:07 p.m. Commissioner Peter Zevenbergen attended in person. District staff Robert Russell, General Manager, and Patrick Martin, Operations Manager, attended in person, and Jamie Crookston, Finance Manager, attended by Zoom. Bill Reynolds, District Engineer, Rosemary Larson, legal counsel, attended in person.

The District provided the public with ability to attend the meeting by Zoom or conference call, and provided notice of the call-in and remote access information to the public and a speaker in the meeting room which allowed all persons attending to hear each other at the same time.

APPROVAL OF AGENDA – ADDITIONS OR DELETIONS

Commissioner Zevenbergen made a motion to approve the agenda. Commissioner O’Byrne seconded the motion, which passed unanimously.

CONSENT AGENDA

Approval of Minutes -- Regular Meeting of March 13, 2024

Approval of Minutes – Corrected -- Regular Meeting of February 28, 2024

Commissioner Zevenbergen made a motion to approve the consent agenda. Commissioner O’Byrne seconded the motion, which passed unanimously.

APPROVAL OF VOUCHERS

Commissioner Zevenbergen made a motion to approve the following Vouchers. Commissioner O’Byrne seconded the motion, which passed unanimously:

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 5417 to 5452 in the amount of \$127,476.75.

Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 5453 to 5470 in the amount of \$80,753.85.

Water/Sewer Maintenance Fund – Payroll in the amount of \$20,750.00.

Water/Sewer Maintenance Fund – EFT in the amount of \$41,557.61.

Water/Sewer Maintenance Fund – EFT in the amount of \$9,403.28.

CITIZENS' COMMENTS AND CONCERNS

No citizens were present.

DISCLOSURE OF POTENTIAL CONFLICT – INSLEE BEST

Mr. Russell informed the Commissioners that this matter relates to the on-going negotiation of the amended SPU wholesale water supply contract. Eric Frimodt of Inslee Best is representing twelve water districts in the negotiations with SPU. During negotiations, an issue was raised as to the possibility of a conflict of interest with respect to representation of multiple districts, primarily in the context of potential amendments to the contract's language relating to payment of stranded costs. Under the Rules of Professional Conduct (RPC 1.7) that govern the attorney-client relationship, a lawyer shall not represent a client if a prohibited conflict exists, unless, among other things, each affected client consents in writing. Eric Frimodt does not believe that a prohibited conflict exists, but to remove doubt and alleviate concerns, he prepared a written agreement, in the agenda packet, in which each district would waive any potential conflict as to the matters described in the agreement. Ms. Larson provided brief information on RPC 1.7. Mr. Russell confirmed that the conflict issue was raised with respect to the stranded cost provision, and described that provision, how the proposed amendment differed from the current provision, and circumstances that could cause districts to have different views on the amendment.

At 2:23 p.m., Commissioner Kunkel joined the meeting by telephone and assumed the chair of the meeting. The Commissioners and staff discussed the status of the SPU contract negotiations and the impact of the stranded cost provision on the District. Commissioner Kunkel commented that he was comfortable with Eric Frimodt's continued representation of the District. Mr. Russell agreed and stated that he supported the District approving the agreement regarding the disclosure of the potential conflict.

After discussion, Commissioner Zevenbergen made a motion to approve the Agreement regarding the Disclosure of Potential Conflict of Interest; Informed Consent and Waiver, and to authorize the General Manager to sign the Agreement. Commissioner O'Byrne seconded the motion, which passed unanimously.

ATTORNEY'S COMMENTS

Ms. Larson had no additional comments.

ENGINEER'S COMMENTS

Mr. Reynolds reported that the contractor on the Sewer Rehabilitation Project will begin work on April 1. The District will provide signage in the work areas and will communicate with impacted property owners. Mr. Reynolds also reported that the Decant Facility Project contractor signed the contract and will begin work on April 15. Last, he informed the Commissioners that he and staff discussed revisions to the Windtree Water Main Project specifications. Bill Linton of Inslee Best provided comments on the documents several years ago, so he will ask the attorneys to perform another review before the Project is advertised for bids.

MANAGERS' COMMENTS

Ms. Crookston commented that the conference she is attending is very informative.

Mr. Martin reported that during the investigation of a leak, District staff discovered that a root from a tree located on private property has compromised and damaged a District meter,

causing the leak in the service line. Mr. Martin presented photographs of the root and meter. Mr. Martin will inform the property owner in writing that the District will be removing the root in the vicinity of the meter, and will follow up in person if necessary.

Mr. Martin also reported that during the recent leak detection project, a leak was discovered in a 104 foot-long segment of line that terminates in a “blow-off valve” in the back yard of a private residence. The adjacent land is an undevelopable tract owned by the City, and if the tract was ever developed there are other District water mains available to serve the tract, so the 104-foot water line is unlikely to ever be needed to serve new development. Therefore, the District informed the property owner that the District intends to abandon the line and move the blow-off valve to an area that is either adjacent to or in the city right-of-way. The property owner has indicated that he is not in favor of the new location for the valve. Mr. Martin presented photographs of the general vicinity and the valve’s proposed location.

In response to a question by Commissioner Kunkel, Mr. Martin confirmed that the District would restore the land to at least its current condition after installing the valve in the new location. Commissioner Kunkel commented that the District needs to take necessary steps to ensure that the District’s water system operates efficiently. Mr. Martin stated that no action was necessary at this time; this was a point of information for the Commissioners.

Mr. Russell reported that staff provided a tour of District facilities to Commissioner Zevenbergen. Mr. Russell also reported that on March 21, he attended the Risk Management Pool semi-annual meeting with Commissioner O’Byrne and Ms. Crookston. At the meeting, attorney Joe Bennett presented information on a new trend referred to as “First Amendment Audits.” The Pool has hired a consultant to prepare a resiliency plan.

Mr. Russell informed the Commissioners that on March 21, the District hosted the SPU contract negotiations working group meeting, where Eric Frimodt presented the Disclosure of Potential Conflict Agreement.

COMMISSIONERS' COMMENTS

Commissioner O'Byrne commented that she attended the Risk Management Pool meeting.

Commissioner Zevenbergen thanked Ms. Crookston, Mr. Martin and Mr. Russell for the tour of the District's facilities. It was very beneficial to see the District's various properties.

Commissioner Kunkel thanked staff for providing the tour to Commissioner Zevenbergen.

OTHER DISTRICT BUSINESS

None.

ADJOURNMENT

As there was no further business or persons to be heard, the meeting concluded at 3:10 p.m.

BOARD OF COMMISSIONERS

Douglas Kunkel, Commissioner



Suzi O'Byrne, Commissioner



Peter A. Zevenbergen, Commissioner