

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

Held on April 11, 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 April 11, 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, and Patrick Martin, Operations Manager, were present. John Milne, District counsel, was also present.

APPROVAL OF AGENDA

Milne advised that executive sessions regarding the King County franchise compensation litigation and the 440 Reservoir Recoating Project would not be necessary. Commissioner Kunkel made a motion to approve the agenda as amended to delete the executive sessions for those matters listed on the agenda. Commissioner Anderson seconded the motion, which carried unanimously.

CONSENT AGENDA

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

Commissioner Anderson 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.

DISTRICT FINANCIAL MANAGEMENT POLICY

Russell recommended the District's Financial Management Policies as previously approved and adopted by Resolution No. 1817 be revised and updated to (1) recognize the recent close-out of the District's Reserve Fund and Bond Fund into the District's Maintenance Fund; (2) the re-naming of the System Reinvestment Fund to the Special Purpose Fund; and (3) re-define a District capital asset to be an asset with a value of at least \$5,000 with a useful life of at least one year to be in accordance with the Washington State Office of Financial Management guidelines.

Following discussion, Commissioner Kunkel so moved by the adoption of Resolution No. 1863. Commissioner Anderson seconded the motion, which carried unanimously.

FINANCIAL SOFTWARE PURCHASE

Russell reported District staff had reviewed and received demonstrations of various financial software, and recommended the District now purchase the Sage 50 software and technical support services at a cost not exceeding \$6,000. Following discussion, Commissioner Anderson so moved. Commissioner Kunkel seconded the motion, which carried unanimously. Russell reported District staff plan to have the software operational by the end of June, 2018, but will keep the Board further advised.

ATTORNEY'S REPORT

Relative to the 440 Reservoir Recoating Project, Milne reported the settlement documentation had been executed by the project contractor, the District, and the funds relating to the contractor's final pay request had been transmitted to the contractor. The contractor must now provide the required project close-out documentation to the District's engineer before the project retainage can be released to the contractor. He will keep the Board further advised.

Relative to the King County Franchise Compensation Ordinance litigation, Milne advised that the presentation and argument of cross-motions for summary judgment had tentatively been scheduled for July 27, 2018. He also advised a group of non-profit water associations may intervene in the lawsuit in support of the Districts' position that King County does not have the legal authority to charge the Districts and other utilities for the use of the right-of-way. He will keep the Board further advised. Related to that matter, Russell reported the District had recently applied to King County for a new franchise but had included language in the application provided by District counsel reserving the District's rights to contest the County's assessment of rent to use the County rights-of-way.

Milne reported the City of Federal Way City Council had enacted an excise tax on the business of providing water and sewer service within the City's boundaries which affected the water-sewer districts providing such services within the City. He had been retained by Lakehaven Utility District, Highline Water District, and Midway Sewer District to contest the tax. He will keep the Board further advised.

ENGINEER'S REPORT

Mr. Martin presented the engineer's report dated April 11, 2018, regarding the status of various projects involving District engineering services.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 2329 through 2346 in the amount of \$258,812.91.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$59,086.14.

FINANCE MANAGER'S COMMENTS

The Finance Manager was not in attendance.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported that District staff are studying the possible installation of security equipment at the District's reservoir sites. He will report back to the Board with a recommendation.

GENERAL MANAGER'S COMMENTS

Mr. Russell reported he planned to have a draft of the District's Spring newsletter soon to share with the Board for comments. The newsletter could note Commissioner Martin's reelection to a commissioner position, and her election to the WASWD Board of Directors.

Mr. Russell reported he is discussing coordination of emergency management with the City of Newcastle City Manager.

Mr. Russell reported District staff continue to review the acquisition of water meters as a capital improvement project. Staff will be recommending the District no longer use Sensus meters due to significant performance issues. He will keep the Board further advised.

COMMISSIONERS' COMMENTS

Commissioner Anderson reported on his attendance at the recent WASWD Spring Conference.

Commissioner Martin reported that she will attend the Seattle Operating Board meeting the following day. She reported that there would be a discussion regarding reclaimed water. She will report back to the Board.

ADDITIONAL CITIZEN'S COMMENTS

Gordon Bisset, a City of Newcastle City Councilmember, requested information regarding the use of storm water or reclaimed water by the Newcastle Golf Course for irrigation purposes. District staff addressed his questions.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:10 p.m.

BOARD OF COMMISSIONERS



Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner