

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

**Held on June 26, 2019**

A regular meeting of the Board of Commissioners of Coal Creek Utility District was held at the District Office, 6801 – 132<sup>nd</sup> Place SE, Newcastle, Washington, on June 26, 2019. Commissioner Kunkel, Board President, called the meeting to order at 5:00 p.m. Commissioner Ric Anderson, Board Vice-President, and Commissioner Pam Martin, Board Secretary, was also in attendance. District staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Anne Paige, Finance Manager, were present. John Milne, District legal counsel, was also present.

**APPROVAL OF AGENDA**

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

**CONSENT AGENDA**

Approval of Minutes – Regular Board Meeting of June 12, 2019.

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

**CITIZENS' COMMENTS/CONCERNS**

There were no comments from the citizen in attendance.

**KOVAL – INTERIM AGREEMENT FOR FUTURE SEWER CONNECTION**

Russell reported that Ruslan and Zoryana Koval owned property located at 9546 132<sup>nd</sup> Ave SE, Renton, which was located within the District's sewer service area. They had discussed the availability of District sewer service to the property, but District staff had determined it was not financially feasible to extend the District sewer system to the property. The Kovals had requested

the District's consent to the property being served by connection to the adjacent sewer system owned by the City of Renton. The District would consider approving sewer service to the property from Renton on an interim basis, conditioned on the property re-connecting to the District sewer system if and when it was available to the property as determined by the District. However, the Kovals desired to have two lots connected to Renton's system, and Renton had denied their request for more than one connection to the City's system. The Kovals had then applied to King County, and the King County Board of Health, to serve the second property by an on-site septic system. The Kovals were requesting the District provide a "Sewer Connection Interim Certificate of Future Sewer Connection" (Certificate) for submission to King County in support of their application for a septic system.

Milne recommended that, if the Board was inclined to approve the issuance of a Certificate, the approval be conditioned on the Kovals entering into an agreement for future sewer service to be recorded against the property as a covenant running with the land that the property must be connected to the District's sewer system at the owner's expense if the District determined in the future that District sewer service was available to the property.

Mr. Ruslan Koval represented that he owned the property and confirmed he desired to provide sewer service to his second lot by septic service and would sign and provide an agreement for future sewer service as a condition to the District providing the Certificate.

Following discussion, Commissioner Anderson made the motion to authorize the issuance of the Certificate for the Koval property on the condition the Kovals (1) sign a future sewer service agreement with the District, and (2) pay for the District's administrative staff and legal fees and costs to prepare the agreement and have it recorded against the property. Commissioner Martin seconded the motion, which carried unanimously. The Kovals will provide confirmation of property ownership information as required by District staff and counsel.

## **RESERVOIR MAINTENANCE**

Russell reported that bids had been received to perform reservoir maintenance services. The services included inspection and cleaning determined following inspection. Russell recommended award to H2O Solutions, LLC for the amount of \$11, 495, not including tax, as the lowest responsible bidder, subject to confirmation that the payment of prevailing wages was not required due to the owners' performance of the services. Following discussion, Commissioner Martin made the motion to award the project contract to H2O Solutions, LLC, for the amount of \$11, 495, not including tax, as the lowest responsible bidder, subject to confirmation that the payment of prevailing wages was not required due to the owners' performance of the services. Commissioner Anderson seconded the motion, which carried unanimously.

## **CONSUMER COMPLAINT**

Russell reported to the Board regarding a complaint a District customer had recently submitted to the Consumer Protection Division of the Washington Attorney General's Office (AG) relating to the District's contribution to the City of Newcastle for City events. The Board had discussed and authorized the contribution at the May 22, 2019 Board meeting due to the significant benefits to the District to promote District programs such as water conservation, water use efficiency, and the District's cross-connection program. The AG's Office had referred the matter to the District given the nature of the complaint to better address the complaint. Following discussion, the Board requested that Russell acknowledge receipt of the communication from the AG's Office on the District's behalf.

## **ATTORNEY'S COMMENTS**

Milne reported on the status of the King County right-of-way rental charge litigation. He reported that the Supreme Court had granted direct review and that the appeal hearing had been scheduled for oral argument on September 17, 2019. The district-appellants' brief in response to

King County's brief had been filed on May 15, 2019. King County will now have the opportunity to file a reply to the Districts' responsive brief. He also reported that several other entities and associations planned to file amicus briefs with the Supreme Court in support of the districts' position in the appeal. He will keep the Board further advised.

Milne reported on the status of the appeal by several water-sewer districts of a City of Federal Way excise tax on the districts' revenues. He was hopeful the Supreme Court would grant direct review and also schedule an appeal hearing during the Court's fall term. He also reported that several other entities and associations planned to file amicus briefs with the Supreme Court in support of the districts' appeal. He will keep the Board further advised.

#### **ENGINEER'S COMMENTS**

There was no engineer's report.

#### **APPROVAL OF VOUCHERS**

The Board approved the Water/Sewer Maintenance Fund Voucher Nos. 918 to 945 – Accounts Payable in the amount of \$238,137.32.

The Board approved Water/Sewer Maintenance Fund – Payroll in the amount of \$20,800.00.

The Board approved Water/Sewer Maintenance Fund – EFT in the amount of \$23,230.62.

#### **FINANCE MANAGER'S COMMENTS**

Paige reported that she was working on the District's balance sheet, and was current through February, 2019. Once the balance sheet is completed, she will then start work on the District's financial statement.

## **OPERATIONS MANAGER'S COMMENTS**

Mr. Martin reported that he is working with the architectural consultant who performed the original design work for the District's administrative building regarding improvements to the building's HVAC system, the possible installation of low-energy windows, and security windows in the reception area. He will obtain information regarding options and cost estimates and report back to the Board.

Mr. Martin reported that certain District work, including manhole and valve adjustment, had been included in the City of Newcastle's 2019 overlay project. The projected cost of the work was \$21,600, and he requested Board authorization for District staff to enter into a cost reimbursement agreement with the City in that amount to be signed by the General Manager on the District's behalf. Following discussion, Commissioner Martin so moved. Commissioner Anderson seconded the motion, which carried unanimously.

## **GENERAL MANAGER'S COMMENTS**

Russell advised that he would be on vacation starting July 4 and returning to the District office on July 22, 2019. Therefore he will be absent from the Board's July 10 meeting.

## **COMMISSIONERS' COMMENTS**

Commissioner Anderson reported on his attendance at the recent State Association Conference and Training committee meeting.

Commissioner Anderson reported on his attendance at the recent State Association Technology committee meeting.

Commissioner Anderson reported on his attendance at the recent State Association Board of Directors meeting.

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

Commissioner Martin reported that she had missed the recent State Association Board of Director's meeting due to illness.

Commissioner Kunkel advised that he would be absent from the Board's September 11, 2019, meeting and requested that his absence be excused. Following discussion, Commissioner Martin so moved. Commissioner Anderson seconded the motion, which carried unanimously.

**OTHER DISTRICT BUSINESS**

There was no further District business.

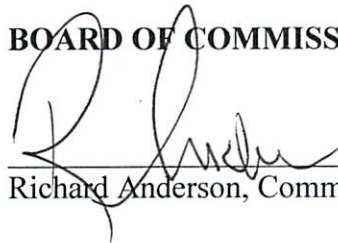
**ADDITIONAL CITIZEN'S COMMENTS**

Mr. Koval provided information regarding possible security systems the District might consider for the District's office. The Commissioners thanked him for the information.

**ADJOURNMENT**

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

**BOARD OF COMMISSIONERS**

  
Richard Anderson, Commissioner

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Douglas Kunkel, Commissioner

  
Pam Martin, Commissioner