

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

Held on June 27, 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 June 27, 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 Anne Paige, Finance Manager, were present. John Milne, District counsel, was also present.

APPROVAL OF AGENDA

Russell advised an executive session regarding the King County franchise compensation ordinance litigation would not be required. Following discussion, Commissioner Kunkel made a motion to approve the agenda as amended to delete that matter. Commissioner Anderson seconded the motion, which carried unanimously.

CONSENT AGENDA

Approval of Minutes – Regular Board meeting – June 13, 2018

Approval of Minutes – Special Board meeting – June 19, 2018

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

CITIZENS' COMMENTS / CONCERNS

There were comments from the citizen in attendance.

VOUCHER APPROVAL PROCESS

Commissioner Martin expressed concern regarding the District's blanket voucher approval process. It was her understanding it was the District's long-standing policy that vouchers required two commissioner signatures before transmission to King County for processing. She noted there were instances in 2018 when only the Commissioner Anderson had signed the vouchers before transmission to King County.

Russell advised that King County policy only required the signature of the District's auditing officer on vouchers, or, in the absence of the auditing officer, two commissioner signatures. Materials he provided from the Washington State Auditor's Office also supported the signature approval of vouchers by the auditing officer. However, as the auditing officer, it was Russell's practice to sign the blanket voucher, but to also obtain a commissioner signature on the blanket voucher before submission to King County. He noted that, due to Commissioner Martin's unavailability in early 2018 due to medical issues, he had requested Commissioner Anderson to sign vouchers due to his availability. He also noted that all individual vouchers were submitted to, approved and signed by the commissioners at Board meetings.

Milne recommended the Board clarify and codify its voucher approval process through an adopted written policy.

Commissioner Kunkel expressed concern that Commissioner Martin had apparently directed District staff to review the last several years of the District voucher approval process. He thought such a directive should come from the Board, and not an individual commissioner.

Commissioner Anderson felt the District should adopt a written voucher approval process, but any process adopted and applied should be stream-lined to minimize District staff time devoted to the process.

Following discussion, there was Board consensus to follow the King County policy regarding blanket voucher approval (signature approval by the District auditing officer, or, if the auditing officer was not available to sign the voucher, signature approval by two commissioners), provided all individual vouchers with back-up information be provided to the commissioners at a Board meeting. District staff will now prepare and provide a draft written policy for future Board consideration and approval.

AUDITING OFFICER

Russell reported the District needed to update the appointment of a District auditing officer as Resolution No. 1834 adopted on May 25, 2016, designated an alternate auditing officer who was no longer employed by the District. He recommended that Anne Paige, the District Finance Manager, be designated the alternate District auditing officer. Following discussion, Commissioner Kunkel made the motion to appoint Russell as the District auditing officer and Paige as the alternate auditing officer by the adoption of Resolution No. 1867. Commissioner Anderson seconded the motion, which carried unanimously.

580 RESERVOIR PROPERTY DAMAGE

Russell reported on the significant property damage at the District's 580 Reservoir site due to intruders who had cut through the security fence, spray-painted a building and tank, and had accessed the top of the tank. The District had then installed motion cameras and had video of the intruders when they apparently returned to the site. The video had been provided to City of Newcastle police and it was Russell's understanding the police had identified and contacted the intruders. It was his understanding the police will file charges against the intruders. If so, the District will seek full restitution for the property damage in the criminal proceedings.

CWA LOCAL 7803 REQUEST

Russell advised the District had received a letter dated June 25, 2018, from the union representing the field employees to negotiate an amendment to the collective bargaining agreement between the District and the CWA. The union was requesting a meeting to negotiate a change to the amount of unused earned time that could be donated to another employee. He requested an executive session pursuant to RCW 42.30.140 (4) (b) to discuss collective bargaining negotiations. Following discussion, the Board determined to discuss the matter in executive session on that basis later in the meeting.

GOLDSMITH/STARBUCKS PHASE ACCEPTANCE WITH CONDITIONS

Russell presented a request from the developer to accept the northern phase of the water and sewer extensions for the project; the District had recently determined to reconfigure a water line affecting the southern portion of the project, but the northern phase was complete to be put into service. The phased acceptance will be conditioned on the developer's completion of all extension agreement terms and conditions, including the provision of necessary bills of sale, easements and close-out fee payments. Following discussion, Commissioner Anderson made the motion to grant the phased acceptance on the conditions as recommended by District staff. Commissioner Martin seconded the motion, which carried by a vote of 2-0, Commissioner Kunkel abstaining.

ATTORNEY'S COMMENTS

Milne reported on the status of the litigation regarding the King County right-of-way compensation matter. He reported cross-motions for summary judgment on the legal issues involved in the litigation were scheduled for July 27, 2018. He will keep the Board further advised.

Milne reported on the status of the excise tax litigation involving several water-sewer districts and the City of Federal Way. He reported cross-motions for summary judgment on the

legal issues involved in the litigation were scheduled for September 21, 2018. He will keep the Board further advised.

ENGINEER'S COMMENTS

The engineer was not in attendance.

APPROVAL OF VOUCHERS

The Board approved for payment Water/Sewer Maintenance Fund Voucher Nos. 2467 through 2502 in the amount of \$99,568.88.

The Board approved for payment Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$20,000.00.

FINANCE MANAGER'S COMMENTS

Ms. Paige reported the Sage accounting software had been installed on the District server and District staff were now working on the conversion to the new system.

OPERATIONS MANAGER'S COMMENTS

The Operations Manager was not in attendance.

GENERAL MANAGER'S COMMENTS

Mr. Russell reported he has approved an asphalt patching contract in the amount of \$13,450.46.

Mr. Russell reported the District had not received any interest in buying the recently surplus printers and trailer. He will keep the Board further advised.

Mr. Russell requested comments on the draft water quality report which has a mailing deadline of July 1, 2018.

COMMISSIONERS' COMMENTS

Commissioner Kunkel reported on his attendance at the Newcastle Town Hall meeting on June 19, 2018.

Commissioner Anderson reported on his attendance at the most recent meeting of the WASWD Technology Committee.

Commissioner Anderson reported on his attendance at the most recent meeting of the WASWD Government Relations Committee.

Commissioner Anderson reported on his attendance at the most recent meeting of the WASWD Board of Directors.

Commissioner Anderson reported on his attendance at the recent Southwest Suburban Sewer District open house.

Commissioner Anderson reported he planned to attend the Emergency Preparedness Committee meeting the following day.

Commissioner Martin reported on her attendance at the most recent meeting of the WASWD Board of Directors and workshop.

Commissioner Martin requested that all information relevant to the water quality report be included in one document. District staff will work with the consultant preparing the report to do so.

Commissioner Martin reported on her attendance at the recent WASWD Section IV meeting and it was her understanding some districts were simply mailing postcard notice of the availability of their water quality reports, as opposed to mailing the report, with attendant expense, to all customers. District staff will obtain further information on the notice requirements and report back to the Board.

Commissioner Martin reported on her attendance at the recent WASWD Finance Committee meeting.

ADDITIONAL CITIZEN'S COMMENTS

There were no comments from the citizen in attendance.

EXECUTIVE SESSION – RCW 42.30.140 (4) (b) – LABOR NEGOTIATIONS

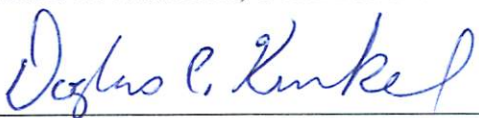
Russell requested an executive session to discuss the union's request to negotiate an amendment to the collective bargaining agreement to change the amount of unused earned time that could be donated to another employee. Following discussion, Commissioner Kunkel so moved on that basis. Commissioner Anderson seconded the motion, which carried unanimously. Before convening the executive session at 6:35 p.m., Commissioner Martin advised the executive session would conclude at 6:45 p.m. The commissioners, Russell, Paige and Milne then attended the executive session. At 6:45 p.m., the executive session concluded and open public meeting reconvened.

OTHER DISTRICT BUSINESS

As there was no further business or persons to be heard, the meeting concluded at 6:50 p.m.

BOARD OF COMMISSIONERS


Richard D. Anderson, Commissioner


Douglas C. Kunkel, Commissioner


Pamela A. Martin, Commissioner