

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

Held on July 24, 2019

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 July 24, 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 July 10, 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.

WATER/SEWER REVENUE REQUIREMENTS UPDATE – FCS GROUP PROPOSAL

Russell presented a proposal from FCS Group (Consultant), the District's financial consultant, to complete a water and sewer revenue requirement study update. Russell reported the District has implemented a three-year rate strategy and should now complete a revenue

requirement update for the next rate-setting cycle to account for the latest financial, growth and capital activity. The report would provide a sustainable, multi-year (5-year) financial management plan. The cost of the study and update was a not-to-exceed amount of \$11,980.00. Following discussion, given the Consultant's prior work which had enabled the District to moderate rate increases despite cost of service increases, Commissioner Martin made the motion to authorize the Consultant to proceed with the work at the proposed cost. Commissioner Anderson seconded the motion, which carried unanimously.

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 water-sewer district-respondents' brief in response to King County's brief had been filed on May 15, 2019. King County's reply to the Districts' responsive brief is due by July 26, 2019. It was his understanding that several other parties and associations would file amicus briefs with the Court in support of the water-sewer districts' position the county lacked authority to charge rent to locate utility facilities in the right-of-way.

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.

Milne reported that several water-sewer districts providing utility service within the City of Burien were presently negotiating a franchise with the City to provide the City franchise fees in consideration of certain provisions the districts sought in a city franchise, including a non-assumption provision. He will keep the Board further advised.

ENGINEER'S COMMENTS

The engineer was not in attendance, but District staff presented his report on the status of various District engineering projects as set forth in a memo dated July 24, 2019.

APPROVAL OF VOUCHERS

The Board approved the Water/Sewer Maintenance Fund Voucher Nos. 979 - 998 - Accounts Payable - in the amount of \$42,106.18.

The Board approved Water/Sewer Maintenance Fund Nos. 999 to 1015 - Accounts Payable – in the amount of \$60,920.42.

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 \$29,696.92.

FINANCE MANAGER'S COMMENTS

Paige reported a meeting of utility officers had been held at the District that day.

Paige reported she planned to attend an HR group meeting the following Monday.

Paige reported she was close to completing the District's financial reporting statements and that she would probably have the District's June and July financial reporting completed by the second Board meeting in April.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin had no further report.

GENERAL MANAGER'S COMMENTS

The General Manager had no further report.

COMMISSIONERS' COMMENTS

Commissioner Martin reported on her attendance at the State Association Board of Directors meeting and workshop the previous Monday.

Commissioner Martin reported on her attendance at the recent Seattle Public Utilities (SPU) Operating Board meeting. She reported there would be no SPU Operating Board meeting in August.

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. The "Shake Alert" system had been presented and discussed.

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

OTHER DISTRICT BUSINESS

There was no further District business.

ADDITIONAL CITIZEN'S COMMENTS

There were no comments from the citizen in attendance.

ADJOURNMENT

As there was no further business or persons to be heard, the meeting concluded at 5:38 p.m.

BOARD OF COMMISSIONERS


Richard Anderson, Commissioner


Douglas Kunkel, Commissioner


Pam Martin, Commissioner