

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

Held on October 10, 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 October 10, 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. Dave Hutley, consulting engineer, and John Milne, District counsel, were also present.

APPROVAL OF AGENDA

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

CONSENT AGENDA

There was no consent agenda.

CITIZENS' COMMENTS / CONCERNS

There were no citizens in attendance.

EMPLOYEE MANUAL REVIEW

At the September 26, 2018 meeting, the Board had reviewed proposed updates to the District's Employee Manual applicable to District management and office staff. District staff then reported the various amendments, deletions and edits to the Manual as discussed had been made, and the Appendix had been added to the Manual's Table of Contents. He recommended the Board approve the updated Manual by resolution.

Following discussion, Commissioner Anderson made the motion to approve the updated Employee Manual by the adoption of Resolution No. 1872. Commissioner Martin seconded the motion, which carried by a vote of 2-1, Commissioner Kunkel voting against. The Resolution will be prepared and included on the Consent Agenda for signature at the next regular Board meeting.

MINUTES OF SEPTEMBER 26, 2018 REGULAR BOARD MEETING

Russell advised that Commissioner Kunkel had requested revisions to the minutes of the September 26, 2018 Board meeting to include his concerns that the Equal Opportunity Statement in the Employee Manual should apply to all staff equally, and not just legally protected classes. In his opinion the policy as written did not apply equally to all District staff. However, Milne stated it was his opinion the District's equal opportunity and anti-discrimination policies do apply equally to all District staff. He then provided the commissioners with copies of the State's anti-discrimination statute which prohibited discrimination against any of the State's inhabitants because of race, creed, color, national origin, sex, marital status, sexual orientation, age, and the presence of sensory, mental, or physical disability. He noted, for example, that all District employees have gender and race. Therefore, the policies would apply to all employees and they could not be discriminated against in their public employment bases on those classifications. Further, the District was legally required to have such policies and cited the example of the recent age discrimination complaint against the District the EEOC was investigating. In its investigation, the EEOC had requested the District provide its anti-discrimination and equal opportunity policies to the EEOC for compliance review.

Following discussion, Commissioner Anderson made the motion to approve the September 26, 2018 meeting minutes as revised to include Commissioner Kunkel's revisions as

qualified to note they were his opinions. Commissioner Kunkel seconded the motion, which carried unanimously.

INTERSTATE 405 WIDENING PROJECT

Hutley and staff reported the District would be required at its expense to reinstall a water main in a new casing as part of WSDOT's project to widen I-405. The existing water main crossing I-405 had been installed pursuant to a permit issued by WSDOT and served approximately 60 homes along the lake front. WSDOT would pay to relocate certain District sewer mains located in easements which would be impacted by the widening project. The District would undertake the water main work during the summer of 2019 prior to the WSDOT project work which would commence in 2020. Hutley will provide a cost estimate for the work once further defined and would report back to the Board.

ATTORNEY'S COMMENTS

Milne reported on the status of the litigation with King County regarding the County's attempt to charge utilities rent to use County right-of-way. A King County Superior Court judge had recently ruled that King County did not have the authority to charge the utilities rent. Milne reported the County has appealed the trial court's ruling, and had petitioned the Washington State Supreme Court for direct review of the appeal. Milne will keep the Board further advised.

Milne reported on the status of the litigation between several water-sewer districts and the City of Federal Way regarding the City's excise tax on the districts. A hearing is scheduled for Friday, October 19, 2018, on motions for summary judgment filed by the parties. He will keep the Board further advised.

ENGINEER'S COMMENTS

Hutley presented a report on the status of various developer and District projects.

APPROVAL OF VOUCHERS

The Board approved Water/Sewer Maintenance Fund Voucher Nos. 2690 through 2723 in the amount of \$82,152.83.

The Board approved Water/Sewer Maintenance Fund – Direct Deposit – Payroll in the amount of \$122,916.53.

OPERATIONS MANAGER'S COMMENTS

Mr. Martin reported District staff were exploring AMI/AMR options and had had discussions with vendors offering such metering equipment. The District currently utilized Sensus meters and Sensus had proposed a pilot project to install a tower to demonstrate AMI system capabilities. However, Russell reported the District had experienced meter failures with Sensus meters, primarily from 2014, and that issue would have to be resolved before the District considered acquiring any new systems from Sensus. Mr. Martin advised he would work with the engineer on the contract to purchase an AMI system.

GENERAL MANAGER'S COMMENTS

Russell reported a revised District newsletter would be provided for additional review and comment.

COMMISSIONERS' COMMENTS

Commissioner Anderson reported on his attendance at a recent WASWD emergency preparedness committee meeting.

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

ADDITIONAL CITIZEN'S COMMENTS

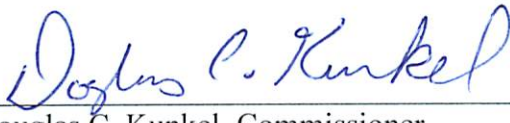
Gordon Bisset, a City of Newcastle City Council member, requested information regarding the costs incurred by the District to prepare and publish its newsletter.

OTHER DISTRICT BUSINESS

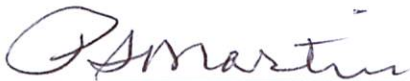
As there was no further business or persons to be heard, the meeting concluded at 6:10 p.m.

BOARD OF COMMISSIONERS

Richard D. Anderson, Commissioner



Douglas C. Kunkel, Commissioner



Pamela A. Martin, Commissioner