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*Mission Statement: Meeting the challenge of protecting the environment and providing quality sewer service to the community.*

**MINUTES  
 COMMISSIONER MEETING  
 March 24, 2016, 9:00 AM**

**Attendees:** Commissioner Pam Stevens, Commissioner Frank McDaniel and Commissioner Brent Kirk. Staff: Michael Bowers, Tonya Christoffersen, Reuel Klempel, Caitlin Hubbard, Johnathan Dix, Mickie Cooper and Tara Bighouse. Engineering Consultants: Stacey Clear, Barry Baker G & O and Rodney Langer, CHS Engineers and Chris Gonzales FCS Group. Legal Counsel: Michael Kvistad. City Councilmember Rauchel McDaniel.

1. **CALL TO ORDER** - At 9:03 AM, Commissioner Stevens called the Meeting to order.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Stevens led those present at the Meeting in the Flag Salute.
3. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) Commissioner Kirk moved to approve the Consent Items A through I. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.

	<b>AMOUNT</b>	<b>CHECK #'s</b>
A. Minutes: March 10		
B. Lien Placements (0)	NA	
Lien Releases (0)	NA	
C. Investments – (see fund balance sheet)	\$617,886.24	
Withdrawals	\$627,600.03	
Transfers	\$639,469.48	
D. Payroll	NA	
E. 40 – Maintenance	\$123,257.94	3082-3115
F. 48 – SRF Principle & Interest Payment	NA	
G. 56 – 2010A Project Bonds Proceed	NA	
H. 58 – Capital Expenditures	\$21,584.58	3116-3117
I. 60 – PWTF Principle & Interest Payment	NA	

- J. Marion Dale Estates DEA (now Eagle Glen) Addendum – Stacey Clear noted the location of this DEA and recommended the Commissioner Kirk moved to approve the Maple Rock 2 Addendum to DEA. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.
- K. Maple Rock II Design Plan Approval – Stacey Clear stated the designs are in and recommended for approval. Commissioner Kirk moved to approve Maple Rock II Design Plan Approval. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.
- L. Westlake Crossing Design Plans -
- M. Trestle Station Final Acceptance of Donated Facility – Stacey Clear noted the construction is completed and all documents have been completed and recommends the final acceptance. Commissioner Kirk moved to approve Trestle Station Final Acceptance of Donated Facility. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.

**4. PUBLIC FORUM** – None

**5. OLD BUSINESS**

- A. Vactor Truck Purchase Proposals – Michael Bowers reviewed the nine vactor truck proposals received; six of nine were 2016 vehicles and three proposals for used equipment. Michael

explained they took the proposed trucks and put them into a depreciation schedule to evaluate each truck. The final results showed the best value for the price is the 2016 Aqua-Tech from a price and return on cost perspective. Johnathan Dix sent two of the field crew to watch the crew at the City of Renton uses an Aqua-Tech truck. The field crew was impressed; the operator in Renton stated the Aqua-Tech truck is one of the easier to use, with the best warranties, the specs on come in higher, among many other benefits. Michael added his recommendation is the Aqua-Tech truck in the amount of \$338,856.40 and asking of the commission room for changes to the overall truck. Commissioner Kirk asked do we know how much does the City of Renton spend on maintenance. Johnathan responded Renton has only had the regularly scheduled maintenance at this time, their truck is a 2013. Commissioner McDaniel moved to approve the purchase of the 2016 Aqua-Tech Vactor truck in the amount of \$338,856.40. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.

- B. Comprehensive Plan GFC Update – Michael Bowers introduced Rodney and Chris to give the update. Rodney Langer explained the draft plan from the last update has been slightly modified with a few changes. The SW Interceptor was previously not in the capital plan as an existing “latecomer” facility; it has been changed to be a part of the GFC for all future connections. The Southeast regional lift station future project has been added to the CIP: it has been proposed as a cost share with a developer. It’s a \$5.5 million project with a 50/50 split with the developer. Michael added this is in negotiation with the developer at this time and has not been finalized. This is also added in to the overall GFC charges. The section of pipe on Old Hartford is the last of the changes and adds \$300,000 to the budget. Chris Gonzalez explained the process of how they got to the overall final number in calculated the new GFC rate. The final result \$9,165 per ERU for each connection. Rodney explained in the final analysis the CIP will show the existing cost and anything not built will be under future costs. Michael added the next Commissioner meetings will need to consist of a SEPA notice, a public hearing, leading to final adoption of our updated Comp Plan. Commissioner Kirk added he believes there is a lot of development available in the South East area; he would like to keep the costs down in other areas. Michael added the district would be nearing \$12,000 combined GFC and LFC costs without this area added into our CIP and GFC rate. Michael wanted the consultants to provide advice on a separate GFC rate for the unincorporated County area in the Southeast part of the UGA. Rodney discouraged the thought of having two separate costs and how allocating costs to be fair becomes a challenge. He suggested if it isn’t in the GFC and it’s added to the LFC it may discourage people to build outside of the City Limits. Rodney added the more you can spread over the entire GFC the more ability you have for growth overall.

## **6. NEW BUSINESS**

- A. Comprehensive Plan Sewer Rate Analysis – Michael Bowers explained the document on the updated version on growth. Chris Gonzales explained the methodology of the utility. Mainly cash flow is driving rates, setting rates to be able to cover debt service costs. For the purposes of this proposal it is based on raising the GFC rate from \$8500 to \$9000. Rate Growth Alternative A would increase the month rate at \$3 per month increase next year and \$2 thereafter with the possibility of a lesser increase. Michael added the letter sent to our customer stated a \$3 increase per month for 2016 and the next two subsequent years. This proposal would change that forecasted amount; however, if the District raises rates \$3.00 each of the next 2 years, 2019 may look better than previously forecasted from a revenue versus expense point of view. This proposal does include the addition of inclusions of the changes to the GFC rate and the items included in the 10 year CIP. Michael added he would also like to perform an analysis on our rates to see if the District could hold our rate increases at \$89.00 per month in 2019 to see what it would take to make this a reality. What would the District need to do differently to make that

happen? Part of such an evaluation would likely involve a refinancing opportunity for debt in 2019 for our largest loan.

Commissioner Kirk asked if there was a benefit to skipping an increase and putting two years together, not only helping staff but allowing an increase to help customers. Michael added he had also worked with Chris on fixing the sewer rate for the smaller homes to see the possibility. Commissioner Kirk added it would help the City as well. After we complete adoption of the Comprehensive Plan and the FCS rate analysis, Michael would like to explore this options with our Finance staff and the Commissioners prior to our 2017 budget adoption next November.

**7. MANAGERS' REPORTS**

- A. General Manager – Michael Bowers had nothing more to add.
- B. Manager of Administration – Tonya Christoffersen reported she has sent a certified letter to Wendy Melling and is waiting for her to respond by 3/28/16 regarding the sale of the duplex. Moving the April 14<sup>th</sup> meeting to Tuesday April 12<sup>th</sup>. It was agreed by the Commission to move the April 14<sup>th</sup> meeting to April 12<sup>th</sup>.
- C. Treatment Plant Manager – Reuel Klempel reported he has received a two week notice from Larry Littrell.
- D. Maintenance and Collections Supervisor – Johnathan Dix reported GFCs of 137 paid year to date, 27 inspections. The CCTV truck was taken out and used on a small pipe on 97<sup>th</sup> and found a potential repair needed to be repair. It's an older part of town from ULID 1. He is trying to get about 10% of the District tv'ed this year and in the next 3 years having all the pipes inspected starting with the older parts of the district. The grease trap areas with be the first areas. This will give a starting point for documenting sewer pipe's condition and status.

**8. CITY REPORT – None.**

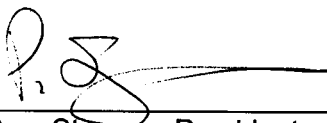
**9. COMMISSIONERS' REPORT –** Commissioner Kirk noted he will not be attending the WASWD Spring Conference. Commissioner McDaniel gave condolences on the passing of Nancy Mitchell, an instrumental part of Sewer District and her extraordinary presence in Lake Stevens.

**10. EXECUTIVE SESSION – None.**

**11. CONCLUSION -** There being no further business, the Board Meeting was concluded at 9:53 AM.

Signed at a regular open public meeting this 12<sup>th</sup> day of April, 2016





  
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Pam Stevens, President and Commissioner

  
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Frank McDaniel, Secretary and Commissioner

  
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Brent Kirk, Commissioner

VISITOR SIGN-IN

If you would like to address the Board of Commissioners, it will be necessary for you to sign in. Thank you.

Print Name	Signature	Address	Phone	Purpose
PATRICK McEVOY		10515 207th ST. SE CANTON STEVEN	425-308-5101	TROUBLE
DAN CARLSON		" "	425 760-0842	TROUBLE