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

**MINUTES
OF SPECIAL MEETING
BOARD OF COMMISSIONERS**

**July 26, 2016
Utility Committee**

Attendees: Commissioners Pam Stevens, Frank McDaniel and Brent Kirk; Staff: Michael Bowers, Reuel Klempel, Tonya Christoffersen, Johnathan Dix and Tara Bighouse.

Guests from the City of Lake Stevens: Councilmembers Kim Daughtry, Rauchel McDaniel and Marcus Tageant, Mayor John Spencer, Interim City Administrator Mary Swenson.

1. **Called to Order** at 3:59 pm by Commissioner Stevens. Commissioner Stevens moved into the meeting agenda item "Utility Committee Meeting".
2. **Utility Committee Meeting** – The Committee discussed mutual projects and planning for the Lake Stevens UGA and study areas.
3. **Conclude** – There being no further business, the Special Meeting was concluded at 4:46 pm

Signed at a regular open public meeting this 13th day of October, 2016



Pam Stevens, President and Commissioner

Frank McDaniel, Secretary and Commissioner

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



**Utility Committee Meeting Minutes
July 26, 2016 4:00 pm**

City of Lake Stevens / Lake Stevens Sewer District
1106 Vernon Road, Suite A, Lake Stevens, Washington

1. **Called to Order:** 4:00 PM by Councilmember Marcus Tageant
2. **Roll Call:**
Attendees Representing the District: Commissioners Pam Stevens, Frank McDaniel and Brent Kirk; Staff: Michael Bowers, Reuel Klempel, Tonya Christoffersen, Johnathan Dix and Tara Bighouse.
Attendees Representing the City of Lake Stevens: Councilmembers Kim Daughtry, Rauchel McDaniel and Marcus Tageant, Mayor John Spencer, Interim City Administrator Mary Swenson.
3. **Action Items:**
 - a. **Approval of Meeting Minutes of April 26, 2016 and May 24, 2016** – John Spencer moved to approve the April 26 and May 24, 2016 Minutes. Pam Stevens seconded the motion. Motion passed.
4. **Public Forum:** No public present.
5. **Discussion Items:**
 - a. **District Proposal to Modify PWTF Debt Structure** – Michael Bowers started with a PowerPoint presentation of the Refinance Proposal. Michael is attempting to get a modification on \$20M in loans. He is doing a dry run at the Utility Committee before presenting this presentation to the PW Board. The District anticipated more urban growth than resulted. With the debt to income being significantly high this would help the District save some money until around 2023 to see a more positive cash flow. The last year of making money was in 2011, after the new treatment plant was finished in 2013 and our expenses have increased since then. The county growth forecast has now shifted 10 years for anticipated growth. The District currently has a cash balance through the stabilization fund. The District has taken actions to better balance the budget and currently the District is currently trending about \$200,000 under this year's budget.

The two current options would include; option 1 – reducing out. Michael Bowers and the Sewer Commission prefer option #1. There are several advantages to both the rate-payers and District. There is not only a monetary benefit to the State but also the PWTF. The rates would be able to be kept lower than anticipated and the District would reach a positive cash flow sooner rather than later. John Spencer added he believes adding the District Bond rating and protecting the rating. Brent Kirk suggested adding the S&P report in the presentation. He also added the rate of growth, the current sewer rate and the level of hardship to rate-payers, and more suggestions to the presentation. John Spencer asked how the District is equipped to handle the years where the growth is significantly lower than what we are projecting. Michael responded the district has looked at the numbers. Michael added an endorsement from the City or a representative would be ideal.

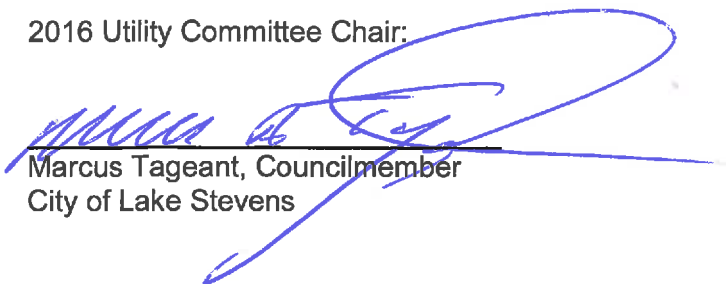
- b. **Feasibility Study Approach @ 20th Street SE** – Michael Bowers showed the scope of work on the map for the proposed area. He noted the other feasibility studies were done on small pieces of land. His discussion with G&O brought out the dates of the previous studies, noting the changes coming such as the Cavalero Park, a possible new fire station, etc. Michael wanted to prevent the building of small little stations and try to encompass the area as a whole to better serve a greater area south of 20th Street SE. Instead of having developments drive the outcome of development. He likes having both the City and District coming together to have input instead of several different agencies doing studies sporadically in that area. John Spencer added can the District do a revision to the Comp plan for developing this area; Michael responded not at this time as the Comp plan has not been adopted. Tonya added we have added addendums in the past.
- c. **Misc. City Project Status** – John Spencer reported the Fix to Grade Rd will be starting next week. The City has re-established a good relationship with the owner of the last on the east side of the road. The 36th Street Bridge is going to have some restoration and will be done in unison with the Grade Rd repair. Senator King, will be visiting, he is instrumental in the 204/9 Hwy in the works, as well as WASDOT.

6. Meeting Summary/Draft Next Agenda

- a. **Downtown SubArea Plan Schedule (Fall 2016)** – John Spencer noted there will be more to report at that time. There are about 40 people on the committee. Frank McDaniel added anyone can show up. John spencer added anyone is welcome and its currently being organized.
- b. **Commercial GFC Methodology (Fall 2016)**

- 7. **Schedule the Next Meeting** – After discussion the committee’s next meeting will be September 27th at 4:00pm.
- 8. **Adjourn** – Marcus Tageant adjourned the meeting at 4:46pm. John Spencer seconded the Motion. The Motion passed unanimously.

2016 Utility Committee Chair:



Marcus Tageant, Councilmember
City of Lake Stevens