



1106 Vernon Road, Suite A
 Lake Stevens, WA 98258
 (425) 334-8588 Fax (425) 335-5947
 Website: www.lkstevenssewer.org

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

**SPECIAL MEETING MINUTES
 COMMISSIONER MEETING
 April 10, 2017 3:30 PM**

Attendees: Commissioners Frank McDaniel and Brent Kirk. Staff: Michael Bowers, Tonya Christoffersen, Mickie Cooper, Johnathan Dix, Casey Mullins and Tara Bighouse. District Engineers: Leigh Nelson Legal Counsel: Brad Cattle and Jordan Wallace.

1. **CALL TO ORDER** - At 3:30 PM, Commissioner Kirk called the Meeting to order.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Kirk led those present at the Meeting in the Flag Salute.
3. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail). Commissioner McDaniel moved to approve the Consent Items A through I. Commissioner Kirk seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: Mar 23 & 28		
B. Lien Placements (59)	NA	
Lien Releases (113)	NA	
C. Investments – (see fund balance sheet)	\$298,825.76	
Withdrawals	\$3,326.85	
Transfers	\$7,494.68	
D. Payroll	\$174,648.82	
E. 40 – Maintenance	\$120,963.80	4170-4209 & EFT96
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	\$3,326.95	4210-4211
I. 60 – PWTF Principle & Interest Payment	NA	

- J. Lake Stevens Bartell DEA – Leigh Nelson noted this is for the District’s updated rate methodology. It is recommended for approval. Commissioner McDaniel moved to approve Lake Stevens Bartell DEA. Commissioner Kirk seconded the Motion. The Motion passed unanimously.
- K. Shadowhawk DEA – not present.
- L. The Refuge DEA – not present.
- M. Chapel 5 Sewer Plans Approval – Leigh Nelson stated the plans are present and recommended for approval. Commissioner McDaniel moved to approve Chapel 5 Sewer Plans Approval. Commissioner Kirk seconded the Motion. The Motion passed unanimously
- N. Nourse 2017 DEA – Leigh Nelson showed the property on the map. It is for 1 ERU to allow the extension of the Sewer main and is required for the overall plat of 288 ERU’s. It is recommended for approval. Commissioner McDaniel moved to approve Nourse 2017 DEA. Commissioner Kirk seconded the Motion. The Motion passed unanimously
- O. Eagle Glen North DEA – not present.

4. PUBLIC FORUM – None

5. OLD BUSINESS

- A. Financial Forecast Updated – Michael Bowers showed a PowerPoint of the projected rate stabilization fund with the variable projected ERU’s. The capital reserve balance projections are about the same depending on any new capital projects that may come up. Commissioner Kirk commented, the District is spending approximately \$1 Mil more than the District brings in. Mickie

Cooper commented, this is correct currently the District's M&O and debt is running at approximately \$89.00 per customer per month. Michael added we will see an increase in revenue in approximately 5 years. He recommends merging the rate stabilization and capital reserve funds together; the District could show a positive cash to debt ratio. Standard and Poor's bond rating would improve; they do not like the District having a rate stabilization fund. Michael added the District has been using the rate stabilization fund to not increase the rates any higher than needed.

- B. 20th Street SE Feasibility Study Results – Michael Bowers summarized the SWI project and cost to date. Some changes to phase 2 included continuing the SWI on 20th Street and not going along with the original phase 2 plan, due to complications with continuing with the original phase 2. The District spent 50% of the total cost with no developer help on phase 2 of the SWI. Michael added a few things to consider when moving forward should include when pioneering invests by public the District absorbs all the financial risk, it may or may not be the key to stimulate private development investment and must recover money somehow; currently we have spread the late comers over all the GFC's to not hinder development and connections to the SWI.

Michael Bowers noted this is the area south west of 20th street, east of Hwy 2 and west of Hwy 9. Leigh Nelson showed on the map land use for the area. Leigh explained she looked at how the area could be serviced with gravity. She showed the areas that needed which size pipe depending on the depth. Leigh explained the three options; one plan the pipe route would be in the same area as the original SWI plan, the second plan included a small lift station and smaller pipe with less boring needed, third option includes having 2 additions to lift stations. The highest cost is option 3, then 1, then 2. Leigh added the City asked for the cost for the line from Cavalero Mid-High to 20th Street, that connection would cost approximately \$2.92 million. Michael noted the easiest area to service would be the area leading up to Cavalero Mid-High

6. NEW BUSINESS

- A. Economic Development Shovel-Ready & Market Ready Concepts – Michael Bowers explained shovel ready and noted the items added to be considered market ready. He added currently the 20th Street area is currently not either shovel ready or market ready. Michael also explained the differences for Commercial land to be market ready for development from right of ways, eliminate easements for conflict, trucking transportation access. Accurate pricing for site development and public infrastructure as well as a timeline and process for all needed items. He added the timing to get 20th street market ready would be approximately 6-9 months and approximately a year or more for shovel ready.
- B. Resolution No. 927: Mountain View Estates Annexation Petition – Leigh Nelson noted the resolution is in the packet and is recommended for adoption. This was the resolution previous discussed at the last Board meeting. Commissioner McDaniel moved to approve Resolution No. 927: Mountain View Estates Annexation Petition. Commissioner Kirk seconded the Motion. The Motion passes unanimously.

7. MANAGERS' REPORTS

- A. General Manager – Michael Bowers noted he will be attending the WASWD Spring Conference this week with Commissioner Kirk and will be on vacation next week.
- B. Manager of Administration – Tonya Christoffersen had nothing to report.
- C. Treatment Plant – Casey Mullins reported operations and maintenance are working well. He and Jeff inspected 4 of the 5 membrane trains; the cassettes look good with minimal ragging and detritus. The treatment plant team is excited about the LEAP system upgrade. Caitlin has been working with the PUD Energy Cohorts to identify areas for possible energy savings.

D. Maintenance and Collections Supervisor – Johnathan Dix reported there are 24 GFC paid year to date and 7 inspections. The SCADA system installation is complete. The camera is back from being repaired.

8. **CITY REPORT** – Gene Brazel reported City Hall is on schedule to June

9. **COMMISSIONERS' REPORT** – None.

10. **EXECUTIVE SESSION** – The Commissioners will now recess into Executive Session at 4:30 PM to allow a 5 minute recess and will last 20 minutes. The purpose of the Executive Session is to discuss with legal counsel contract negotiations. At the conclusion of the Executive Session, there will not be action taken by the Board of Commissioners and there will not be any announcements made. The Commission Meeting will be adjourned at the conclusion of the Executive Session.

11. **CONCLUSION** - There being no further business, the Board Meeting was concluded at 4:55 PM.

Signed at a regular open public meeting this 11th day of May, 2017





Pam Stevens, Secretary and Commissioner



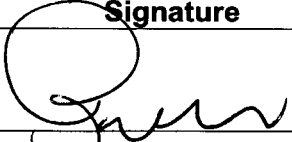
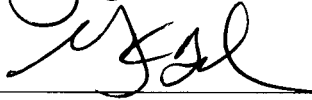

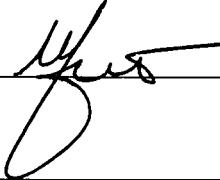
Frank McDaniel, Commissioner



Brent Kirk, President and 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
Raechel McDaniel				City
Gene Brazel				City
Ernie Durpos				City
PATRICK MCGUIRE				DEALS