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 Website: www.lkstevenssewer.org

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

**MINUTES
 COMMISSIONER MEETING
 September 14, 2017 9:00 AM**

Attendees: Commissioners Pam Stevens, Frank McDaniel and Brent Kirk. Staff: Michael Bowers, Tonya Christoffersen, Tara Bighouse, Johnathan Dix, Caitlyn Hubbard and Casey Mullins. District Engineers: Barry Baker and Leigh Nelson Legal Counsel: Brad Cattle.

1. **CALL TO ORDER** - At 9:00 AM, 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 Stevens moved to approve the Consent Items A through I. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: July 27, Aug 24		
B. Lien Placements (93)	NA	
Lien Releases (102)	NA	
C. Investments	\$450,000.00	
Withdrawals	\$214,102.37	
Transfers	NA	
D. Payroll	\$180,745.93	
E. 40 – Maintenance	\$152,315.94	4609-4654 & EFT 101
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	\$214,102.37	4655-4658
I. 60 – PWTF Principle & Interest Payment	NA	

- J. The Refuge DEA – Not present.
 - K. McKay DEA Construction Plan Approval – Leigh Nelson stated the plans are present and conform to District standards. Commissioner Stevens moved to approve McKay DEA Construction Plan Approval. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.
 - L. Shadowhawk Construction Plan Approval – Not present
 - M. Nourse DEA Amendment – Not present.
4. **PUBLIC FORUM** – Patrick McCourt noted the developers get their bills on around the 7-10th and they pay on the 10th, therefore they are getting late payments. He would like to see the billing changed for developer extension agreements so they don't get late fees. Tonya Christoffersen explained the District had a problem with the customer bills and will need to get this problem resolved before we look at changing anything to do with developer billing. Tonya will look into this after the customer billing issue is resolved.
 5. **OLD BUSINESS** – None
 6. **NEW BUSINESS**

- A. Amendment to Engineering Services Contract with G&O – Barry Baker referenced the scope of work and feasibility study for the Southeast Regional Lift Station. The developer has asked if all the capacity is needed for the proposed regional lift station. Barry explained this is not known at this time; the scope of work for the feasibility study being presented is to figure this out and is only for the SE Regional Lift Station and not the Lift Station 17 amendment. Michael Bowers added he believes it is prudent for G&O to do this so we don't impact the developer with building something that is not needed. Barry added the big question is in the comp plan there was a substantial cost to put in a parallel line much larger than the existing 10 inch line if the entire build out is going to happen. Michael added the growth and assumptions have changed since the Comp Plan was adopted. Patrick McCourt has property in this area and he has asked the District to look into this. The storm water regulations have changed and been adopted by the City. The developers have great concern due to the Cities adoptions of the wetland regulations. This has impacted the development in the area and would change the amount of development. This would also make the initial SE Regional Lift Station capacity needed much lower than originally planned for. He believes there isn't enough money in connections and the District will need to look at retaining the difference from rates. He noted he has initiated two annexations this week and would possibly plat in June. Commissioner Stevens moved to approve the Southeast Regional Lift Station feasibility study proposal. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.

Barry Baker showed the location of the Lift Station 17 location on the map. He explained the changes in the scope of work for changes on the lift station 17 upgrade. Amendment number 9 is for \$15,840. Commissioner Stevens moved to approve the contract amendment #9. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.

- B. Update on Potential Refinancing Build America Bond – Michael Bowers had a meeting with our bond counsel. There is a prepayment penalty to pay them off early and will be zero penalty in 2020. He found there has been less government kick back making the interest rate higher than we initially signed. His conversation with the Bond counsel suggested to not refinance yet, but to look at refinancing after the election. Michael is suggesting having the bond counsel come in after the election to see where the District stands, to get Standard and Poor's to give an updated Bond Rating and have the Moss Adams report complete. He explained this depends on interest rates increasing by summer and there is only one chance to refinance between now and 2020. Michael added the other risk being if the City wanted the District to invest in capital projects it would affect our cash reserves. Commissioner Stevens would like to have Brent Kirks input on this before he leaves office.
- C. County and Banking Account Signer Update – Tonya Christoffersen would like to get Johnathan Dix as a signer and remove Michael Bowers as a signer. Commissioner Stevens moved to approve adding Johnathan Dix and removing Michael Bowers from both the bank accounts and the County. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.

7. MANAGERS' REPORTS

- A. General Manager – see item B
- B. Manager of Administration – Tonya Christoffersen reported she has signed documents for liability insurance with Travelers Insurance again. There has been an increase on cyber security with a new cost of \$201,549. The District will be assigned a specific person 24/7 365 days a year. Gene Matt sent a letter stating he would be happy to help find a new General Manager for a cost of up to \$15,000. He doesn't believe it will cost that much since he just helped us in 2014 and thinks it will take approximately 2-3 months process. Tonya heard from a customer that would like the District to finance his connection fees. She noted the City of North Bend has done

this and has specific qualifications. She would like input from the Commission on their thoughts. The Commission agreed they aren't comfortable at this time.

- C. Treatment Plant – Casey Mullins reported the flow is averaging normal for summer. He spoke for the staff at the Treatment plant stating they are committed to staying with the District. Caitlin Hubbard and Matt Bennett went to a presentation for the Omni Processors. Janicki BioEnergy's has come up with a process that helps reduce waste. Matt explained the savings in electricity alone would be a benefit. If the District is chosen for this process it would be a benefit. Janicki is touring plants and contacted Caitlin regarding this process. The District is paying to haul Biosolids to Eastern Washington. This would take our Class B to a Class A biosolid and the District would not have to truck biosolids to Eastern Washington. Matt added it would take any in-ornate material and could potentially eliminate more waste; going with this process would increase trucks at the treatment plant. Janicki would be funding this process and pay rent for housing this technology. Caitlin noted he is worth a Google search; he is a very smart man and has a big part of the airplane industry. Caitlin has been invited to visit in October to view. Matt added the potential savings and revenue would be a major benefit to the District.

Caitlin Hubbard explained GreaseZilla and the benefits. It's a tank that eventually will pay for itself. The GreaseZilla will produce Brown Grease, a cleaner bunker fuel that can be sold for a good profit. The bottom layer will be food particles which can also be sold. There is a cost sharing option, the purchaser pays for the setup and they take the money for selling the fuel with benchmark for payback and there can be tipping fees as well. The first process of GreaseZilla can take everything and anything to burn. They do not have to be in an enclosed building, just a covering would be sufficient. Johnathan Dix added the companies taking the grease from traps would be able to dispose of it at the plant; this may be beneficial for them and us. Caitlin added she would like to receive the Omni Processors, however if the District is not chosen then GreaseZilla would be a good alternative.

- D. Manager of Collections – Jonathan Dix reported there are 103 GFC's paid to date. There were a few business owners that attended the Pre-Treatment workshop. Their concern was the fees and fines. He explained the intention was not to generate revenue but to keep the lines clean as well as prolonging the future upgrade to the treatment plant. Michael Bowers added he heard from Ken Withrow, owner of Razzles and former Commissioners he is impressed with the District and is willing to help in any way to a Fats Oils and Grease program.

8. CITY REPORT – Nothing to report.

9. COMMISSIONERS' REPORT – Nothing to report.

10. EXECUTIVE SESSION – The Commissioners will now recess into Executive Session at 10:03 AM to allow a 2-minute recess to excuse the general public; it is estimated that executive session will last 15 minutes. The purpose of the Executive Session is to discuss the review performance of a public employee and 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. The executive session ended at 10:20 am.

11. CONCLUSION - There being no further business, the Board Meeting was concluded at 10:20 AM.

Signed at a regular open public meeting this 25th day of September, 2017



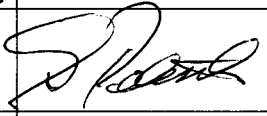
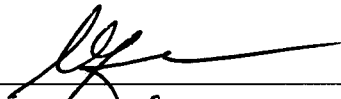

Pam Stevens, Secretary and Commissioner

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
Paul Knight				
GARY PETERSHAW		9932 VERNON RD.	425-425-4181 418-1248	CITY REP.
Patrick McLean		10575 20TH	425-308-5101	Agenda
Michele Hampton		L.S.	425-903-4250	Mtg