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

**MINUTES
 COMMISSIONER MEETING
 November 9, 2017 9:00 AM**

Attendees: Commissioners Pam Stevens, Frank McDaniel and Brent Kirk. District Staff: Tonya Christoffersen, Johnathan Dix, Tara Bighouse, Casey Mullins, Caitlin Hubbard and Mickie Cooper. District Engineers: 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 McDaniel moved to approve the Consent Items A through I. Commissioner Kirk seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: Sept 27-29, Oct 10, 26 & 30		
B. Lien Placements (53)	NA	
Lien Releases (102)	NA	
C. Investments	\$223,027.05	
Withdrawals	\$753.60	
Transfers	\$1,320.65	
D. Payroll	\$169,739.90	
E. 40 – Maintenance	\$160,057.02	4795-4836, EFT 103
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	\$753.60	4837-4838
I. 60 – PWTF Principle & Interest Payment	NA	

- J. Chapel 5 DEA Addendum – Leigh Nelson explains all this addendum does is adds late comers. Commissioner Stevens Moved to approve the Chapel 5 DEA Addendum. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.
- K. Wagner Hills DEA Addendum – not present
- L. Nourse 2017 DEA Addendum – not present
- M. Nourse Phase 1 & 2 DEA – not present
- N. Nourse Phase 3 & 4 DEA – not present

4. PUBLIC FORUM –

5. OLD BUSINESS – None.

6. NEW BUSINESS

- A. 2018 Budget – Mickie Cooper gave a review of the 2018 Draft Budget. The monthly rate they used for the 2018 Budget was \$86.00. Interest income is estimated low, this is done because it is not guaranteed income. The BABS credit has gone down again. The net operating cash is just over \$6 million, and the expenses are estimated at \$6.1 million, the difference would come from the rate stabilization fund. The budget is based on 130 new ERU's. Commissioner Kirk asked about the reduction in the rate revenue if using 130 ERU's. Mickie explained the Commercial usage is down approximately 6%. Discussion ensued about the percentage the District is making on its investments and the potential to get a better rate.

In schedule 3 - the debt payments, the new SRF Loan has been added that's why there is an increase. There are a few loans that are scheduled to be paid off, one in 2018, two in 2021 and three in 2023.

In schedule 4 - M&O. Administration budget - There is an increase due to the adding of 2 additional Commissioners and increases in medical insurance. Mickie explained she adds 10% to be safe for medical insurance, with an overall increase of 7%. Field budget - Has an overall increase of 17%. They added a few new positions; a construction inspector and a facility maintenance worker. Johnathan Dix added there are two lift station projects needing maintenance on their odor control adding extra expense. Commissioner Kirk would like to see another job title instead of Construction inspector, not to be so specific in the event there is a downturn in construction they would not be laid off and can contribute in other areas as well. Treatment Plant budget - They have an increase due to chemical price increase, the electricity increase, with an overall increase of 4.8%. Commissioner Kirk asked if this includes a treatment plant manager, Mickie replied it does not. The budget does include a General Manager. The total M&O is up 6.2% over the 2017 mid-year budget.

The capital project section includes the regional lift station and the lift station 2C upgrade. There is also an addition for the oversizing line for the Nourse project. This is an increase of 7%

Mickie went over the forecast of keeping rates at \$86.00 through 2020. There is a scheduled Treatment Plant upgrade for 2025, this would depend on the growth. It may be pushed out if growth doesn't happen. Commissioner Kirk asked how many ERU's would need to make the increase happen. Casey Mullins explained the mathematical equation they use and added the increase wouldn't need to be done all at once. Mickie added she included all the new comprehensive plan projects into the spreadsheet, it doesn't mean they will happen and they can be moved out. She also gave projections for a growth of 179 ERU's per year; which would prolong our rate stabilization fund through 2027.

Tonya Christoffersen asked Mickie to put together numbers if the District paid off the Vernon Business Center Loan and the SRF loan with the rate stabilization fund. It would give us an extra year at \$86.00. The Commission agreed to approve the budget at the second meeting in December; they would take this time review. They would also like Tonya to meet with the new Commissioner to go over the budget.

- B. WASWD Update Retrospective Rating Plan Agreement – Tonya gave an update on the agreement. This agreement gives a refund on the collaborative L&I premiums, if claims are low. Commissioner Stevens asked if we must be a WASWD member to benefit from the Retro Program; Tonya replied yes. The Commission asked if we had to decide now and Tonya answered no, she wanted to bring it the Commissioners attention.
- C. Contract for CPA Services – Tonya Christoffersen explained this is an audit mention as it's been some years since we signed a contract. This contract is the same as before with no changes, Mr. Shuh requested the Commissioner sign the contract. Commissioner Stevens moved to approve CPA Services Contract. Commissioner McDaniel seconded the Motion. The Motion passed unanimously.
- D. Copper Investigation – Caitlin Hubbard explained the plant received a new permit limit for copper. The District has asked for the limits to 16 micrograms per liter and the plant tests have gone high as 14 micrograms per liter and the average is 8. Whole effluent testing in 2013 proved to be good with no problems to the test fish. Caitlin explained there may be new language regarding the level of copper issued by the EPA called the "Biotic Ligand Model". Tonya explained this could impact us, Caitlin is trying to demonstrate the levels of Copper are coming

from the PUD's drinking water and their standards are different. If the new Federal requirements are approved by the State, then we would not be affected since our levels are significantly below the requirement.

- E. Holiday Schedule for Meeting – Tonya Christoffersen explained the next Board meeting lands on a holiday, the Commission agreed to move the Board meeting to November 27th at 3:00PM. The Employee Recognition and Christmas Party will be on December 22nd at noon.
- F. LEAP Installation and Grant – Caitlin Hubbard explained the staff at the treatment plant pulled all 36 cassettes and installed the LEAP system on each one. The district also received grant money in the amount of \$45,000. The District is also expecting money from the PUD; based on the energy savings from the LEAP system.

7. MANAGERS' REPORTS

- A. General Manager – see item B.
- B. Manager of Administration – Tonya Christoffersen reported she has reviewed the Moss Adams report and they will be giving a report on November 27th; there were no surprises. Bond Counsel will be here at the first meeting in December to discuss the Build America Bonds. There was a sick time policy webinar which will affect our employees. The first of January employees will earn 1 hour of sick time per 40 hours worked. She is taking a tour of Janaki with Caitlin Hubbard, Johnathan Dix and Jeff Baisch next Friday.
- C. Treatment Plant – Casey Mullins the plant flows are normal and stable. They are getting things ready for the winter weather.
- D. Manager of Collections – Johnathan Dix reported our GFC's are at 113.67 year to date. The lift station 17 upgrade bid is on Tuesday, November 14th. The collections team has been doing good work, they have been troubleshooting control issues that if not done properly would have caused a spill. Paul Knight added to put in the Ledger's monthly newsletter to not put sticks down the manholes or mess with the manhole covers.

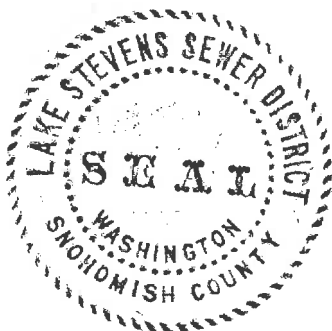
8. CITY REPORT – Eric Dupois thanked the District and employees for participating in Trunk or Treat. The City had their bid opening for the Callow Road work; there were four bidders. He invited everyone to the City Hall Winter Festival and tree lighting on December 2nd.

9. COMMISSIONERS' REPORT – nothing to report.

10. EXECUTIVE SESSION – None

11. CONCLUSION – The Board Meeting was concluded at 10:00 AM.

Signed at a regular open public meeting this 27th day of November 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	<i>Paul Knight</i>			
Raachel McDame	<i>Raachel McDame</i>			City
GARY PETERSEN	<i>Gary Petersen</i>	City	425 418.1245 -	City
Michele Hampton	<i>Michele Hampton</i>		425 - 903-4250	Mtg