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

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

Attendees: Commissioners Pam Stevens and Frank McDaniel. Staff: Michael Bowers, Tonya Christoffersen, Johnathan Dix, Caitlyn Hubbard and Tara Bighouse. Legal Counsel: Brad Cattle and Jordan Wallace.

1. **CALL TO ORDER** - At 8:58 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 McDaniel moved to approve the Consent Items A through I. Commissioner Stevens seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: Jan 24		
B. Lien Placements (95)	NA	
Lien Releases (87)	NA	
C. Investments – (see fund balance sheet)	\$795,911.00	
Withdrawals	\$10,646.55	
Transfers	NA	
D. Payroll	\$166,959.17	
E. 40 – Maintenance	\$117,095.70	4002-4044
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	\$10,646.55	4045
I. 60 – PWTF Principle & Interest Payment	NA	

- J. The Refuge – Not present.
- K. Fairview Terrace DEA – Not present.
- L. Lake Stevens Bartell DEA – Not present.
- M. CP Davies Road Construction Plan Approval – Leigh Nelson explained this will extend sewer up Davies Road to the lots. The plans meet District standards and are recommended for approval. Commissioner McDaniel moved to approve CP Davies Road Construction Plan approval. Commissioner Stevens seconded the Motion. The Motion passed unanimously.

4. **PUBLIC FORUM** – None
5. **OLD BUSINESS** – None
6. **NEW BUSINESS**

A. District Investment Options – Tonya Christoffersen introduced Tom Godwin with Columbia Bank regarding investment options. He explained the District currently uses the State and County pool, he explained other options to give a better rate of return on investments. There is a new guide for public funds investing as of June 2016; to include corporate notes/bonds. He explained what this means for the District; investing money not needed in the immediate future. Tom gave an explanation of what this entails. Michael Bowers asked about the rate of return mirroring market conditions versus fixed rates. Tom replied it is not fixed and will adjust. Mickie Cooper added we have bonds that are invested in the County and State funds that will not be touchable per our

loan covenants. Commissioner McDaniel asked about the risk factor. Tom replied they are adding another level of risk and depending on which type of investments the District invests in; although bonds fall into a very low risk category. Tonya explained the District doesn't have an established Investments Policy, this is just a discussion with no decisions needed today. Tonya is working on a policy with Brad Cattle and Michael Bowers which would include corporate bonds. Michael added it would be a good idea to talk investments and debts concurrently. Brad Cattle added the policy doesn't require you to invest; it gives the opportunity to invest. The District would be able to get quarterly reports as well as what the returns are broken down.

- B. Vacation of Sewer District Easement – Leigh Nelson showed the Glenwood development on the map and explained they had an easement to connect when available. Also Cavalero Mid-High would be connecting another way. She noted they couldn't find any proof of the District paying money for this easement. Michael Bowers explained this is a two part process. Brad Cattle added this is not to sell this easement, etc. This would vacate the easement back to the property owner. The easement doesn't appear to have any use for utility in that area any longer. It would appear the District didn't pay for the easement so the District wouldn't be paying any more money. Michael explained this easement goes through the middle of the property and the developer would like to put five houses on the property. There is a transparent public process to vacate the easement. Leigh Nelson explained the way the property is now it would need an easement from the School District to connect to sewer. Michael explained the next steps would be public notice, then a public hearing.

7. MANAGERS' REPORTS

- A. General Manager – Michael Bowers reported he has a meeting at the County to get the old treatment plant site turned from a liability turned into an asset and to discuss permitting needs and any site restrictions once the plant is decommissioned.
- B. Manager of Administration – Tonya Christoffersen
- C. Treatment Plant – Caitlin Hubbard reported the treatment plant is running great. She is working on another grant proposal. The PUD is going to offer a good incentive with LEAP program. It would be a savings of about \$40,000, up to \$110,000. Michael added there is \$280,000 in the budget to upgrade to the efficiency level and the District would get the investment back in approximately three years. This will mean we attend the PUD required meetings in 2017 as part of their Energy cohort.
- D. Maintenance and Collections Supervisor – Johnathan Dix reported there were 18 GFC's paid and 2 inspections paid to date. There are two new employees Christopher Grissom started and is working well with the team. Lonnie will be starting soon.

8. CITY REPORT – None

9. COMMISSIONERS' REPORT – Commissioner Stevens went to the Chamber meeting

- 10. EXECUTIVE SESSION –** The Commissioners will now recess into Executive Session at 9:45 AM to allow a 5 minute recess and will last 40 minutes. The purpose of the Executive Session is to discuss with legal counsel contract negotiations, to get legal advice on a pending regulatory matter and to review the performance of a public employee. 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.

At 10:50 AM the Executive Session was formally extended for an additional fifteen minutes. At 11:05 AM the Executive Session was formally extended for an additional five minutes, concluding at 11:10 AM.

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

Signed at a regular open public meeting this 23rd day of February, 2017



A handwritten signature in black ink, appearing to be "Pam Stevens", written over a horizontal line.

Pam Stevens, Secretary and Commissioner

A handwritten signature in black ink, appearing to be "Frank McDaniel", written over a horizontal line.

Frank McDaniel, Commissioner

A handwritten signature in black ink, appearing to be "Brent Kirk", written over a horizontal line.

Brent Kirk, President and Commissioner

