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

**MINUTES  
 COMMISSIONER MEETING  
 January 25, 2018 9:00 AM**

**Attendees:** Commissioners Pam Stevens, Frank McDaniel and Kevin Kosche. District Staff: Tonya Christoffersen, Tara Bighouse, Ron Hoole, Caitlin Hubbard, Jim Farrell, Paul Knight, Eric Echols, Jeff Baisch and Mickie Cooper. District Engineers: Barry Baker and Leigh Nelson, Legal Counsel: Brad Cattle. City of Lake Stevens: Gene Brazel.

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

	<b>AMOUNT</b>	<b>CHECK #'s</b>
A. Minutes: Jan 9, 11 & 18		
B. Lien Placements (0)	NA	
Lien Releases (0)	NA	
C. Investments	\$582,707.59	
Withdrawals	\$137,860.35	
Transfers	\$17,747.96	
D. Payroll	NA	
E. 40 – Maintenance	\$135,877.36	5031-5066 & EFT 105
F. 48 – SRF Principle & Interest Payment	\$135,201.29	5067
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	\$10,162.76	5068
I. 60 – PWTF Principle & Interest Payment	NA	

4. **PUBLIC FORUM** – Jim Farrell – District Employee – Asked why hasn't the public been asked to be involved and informed on the unification. Commissioner Stevens stated she agrees the public needs to be informed and at the Utility Meeting it is becoming public. Tonya Christoffersen added she has been working with the City on the process of unification. Both the District and City have created their process and will be working together on merging them to create a timeline of the unification and what needs to be completed before the merger. Commissioner Kosche added the agreement to merge has already been established, the current question is to accelerate that merger or not. He stated one of the pillars in the unification is how to communicate awareness to the public. Jim added that helped answer his question. Commissioner Stevens added the unification will be communicated extensively.
5. **OLD BUSINESS**
  - A. Property Management Company for Rental Unit – Tonya Christoffersen reported there is one company that has returned a contract, Preferred Property Management. They take 6% of the rental income and the District would need to add prevailing wage to the contract. Commissioner McDaniel would like to hold off for two weeks to get more options; one agreement is not options and believes there should be more. Tonya added it has been difficult to find another company with an arm lengths relationship that will take on commercial property management. She will see what she can

find. Commissioner Kosche noted he didn't like paragraph 4 b and would like to see that removed. He has no other issues with the contract. Tonya will work on getting more

## 6. NEW BUSINESS

- A. General Manager Recruitment with Gene Matt & Associates – Tonya Christoffersen introduced Gene Matt. Gene handed out recruitment materials similar to the last time the District went through this process. He presented a schedule for the process of hiring. Commissioner Kosche asked at what point does the District talk about the unification; in the initial packet or at the interview etc. Gene replied it would depend on what point in the process of merging the District and City are at. The Commission agreed to look over the information and wait until after the Utility Committee meeting to make a decision.
- B. Former Treatment Plant Reclaim Project Presentation – Caitlin Hubbard reported the District is in the process of the last part of decommissioning the old treatment plant. Currently the old plant is costing approximately \$1000 per month in addition to the liability insurance. The estimated value of the land is approximately \$175,000. Caitlin stated several neighboring properties have tried to sell their properties without luck. The structures on the property are posing to be a liability problem. She was told it would be better to look in the direction of wildlife. A few of the current entities that have showed interest are, ducks unlimited, sound salmon solutions and Tulalip Tribes. Caitlin stated the Tulalip Tribes have been the only interested entity willing to take over the property. There are grants out there to bring back the property to its original state, but those grants are not available to the District and would be to the Tulalip Tribes. Patrick McCourt added he strongly objects as we are in the middle of a unification and the City could use it as. Eric Durpos added he toured the facility and he has been working with the diking district. There are serious issues with the drainage and pumps. He noted the Diking District would like to be interested in the property. Caitlin added the Diking District has been included in all the correspondence. Eric would agree with Patrick McCourt on waiting on making decisions. Commissioner Stevens added she would like to see what the rate payers and neighboring property owners have to say. Tonya added it is a large parcel and is doable to do both suggestions. Johnathan added the cleanup would be very expensive and if taken on by another entity it wouldn't cost as much through grants. Commissioner Kosche thanked Caitlin for her work and asked if there was a timeline. Caitlin replied the letters she has are from the DOE stating they want the land cleaned up, but there currently isn't a rush from Tulalip Tribes; Caitlin replied not at this time. Commissioner Kosche asked Eric if the City would be ok if we turned over the land to the City. Eric couldn't answer at this time and would be open to take in on for the Diking District. Commissioner Kosche added he would like to work from the center out for how it impacts and can come to an agreement. Eric added the money that comes in can only go back to the Diking District, it would be used for that purpose by the Diking District. Caitlin noted there are some good partnerships and opportunities that can be made. Tonya added she has been working with Legal Council on getting all the entities that can benefit and use the land for what is needed. Brad Cattle added it would be an inter-local agreement. Commissioner Kosche asked for a time for the next step; it was agreed to have all the information from the neighboring owners input, comments from the Diking District at the February 22<sup>nd</sup> meeting.
- C. Employment Contracts for the Managers – Brad Cattle had been tasked with creating severance agreements because of unification works with the City and to keep the managers. He drafted the contracts as requested. The agreements would require the employees to give 30 days' notice of separation. It would give 6 months' severance if the City and District unify and are separated from their position. Brad noted there is one change from the packet; salary amounts were updated to reflect current pay. Commissioner Kosche noted he would like to see removed from the contract "and reasonably comparable". Commissioner McDaniel asked about the waiver of claims and

doesn't believe it has ever been a policy to sign these agreements. Brad added it is a policy decision. Commissioner Kosche noted his opinion based on unification tomorrow work will still need to continue. But for management it isn't a guarantee. There is a different level of risk with contracts for employees versus management. He stated he doesn't have an issue with the contract including the striking out section noted for managers. Eric Durpos stated the City has no intention of coming in and cleaning house and terminating any employees. It was acknowledged by employees in the audience and asked to make sure Eric's comment was reflected in the minutes. Brad Cattle stated this contract waives claims that can legally be waived, for their employment. Commissioner Kosche moved to approve "and reasonably comparable" and the current 2018 salary update. Commissioner Stevens seconded the Motion. The Motion passed; two for and Commissioner McDaniel abstained.

**7. MANAGERS' REPORTS**

- A. General Manager – see item B.
- B. Manager of Administration – Tonya Christoffersen reported back on the conference she just attended regarding effluent reuse, it was very interesting and believes this is something the District can work toward this. This could direct portable use.
- C. Treatment Plant – Jeff Baisch reported the plant is running well with 3.5 and peak 4.9. the fire department did their inspection this week.
- D. Manager of Collections – Johnathan Dix reported 64 GFC's paid year to date. He thanked the crew for the good job they did while he was on vacation.

**8. CITY REPORT** – Eric Durpos reported the City Hall is up and running. The North Cove park is moving forward. The Geo work at the intersection of 9 & 204 is underway. Work on 79<sup>th</sup> is also going on. They are waiting to see what goes on with the library vote.

**9. COMMISSIONERS' REPORT** – Commissioner Kosche asked about the bill break out and noted more time is needed. Tonya replied it has been mocked up and would like to change it to a monthly breakdown on the bills. She will have a mockup of what the bill will look at the February 8<sup>th</sup> meeting. Commissioner Kosche would like to see an ongoing unification agenda item on the agenda with updates. Tonya reported she is working on the Districts and stated Gene has another item coming for the two of them to go over. Tonya has spoken with Mickie about the items with final numbers. Commissioner Stevens went to the DPR Conference and is excited to see this state start the process. Caitlin added there are District that make money off their effluent and are happy not to have to drill another well. She will be talking to the PUD about the potable water option.

**10. EXECUTIVE SESSION** – The Commissioners will now recess into Executive Session at 10:18 AM to allow a 2-minute recess to excuse the general public; it is estimated that executive session will last 20 minutes. The purpose of the Executive Session is to discuss union 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 10:40 AM.

**11. CONCLUSION** – The Board Meeting was concluded at 10:40 AM.

Signed at a regular open public meeting this 8<sup>th</sup> day of February 2018



  
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Pam Stevens, President and Commissioner

  
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Frank McDaniel, Secretary and Commissioner

  
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Kevin Kosche, 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
Ron Hoole	Ron Hoole			
Peggy Heineck	Peggy Heineck	930 Sunnyside Blvd	425-334-6100	
Paul Knight	Paul Knight			LSSD
Eric Echols	Eric Echols			LSSD
JEFF BRISCH	JK Brisch			LSSD
Gene Matt	gmatt	Port Townsend		LSSD
FAT RICK McLean	quest	_____		_____
DAND TOYER	Dandy Toyer	3705 Colby Ave Everett	425-344-1523	