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

**MINUTES  
 COMMISSIONER MEETING  
 April 26, 2018 9:00 AM**

**Attendees:** Commissioners Pam Stevens and Kevin Kosche. District Staff: Tonya Christoffersen, Johnathan Dix, Caitlin Hubbard and Casey Mullins. District Engineers: Leigh Nelson, Barry Baker. Legal Counsel: Brad Cattle. City of Lake Stevens: Gary Petershagen. Public: Dan Lorenzen, Brent Kirk.

1. **CALL TO ORDER** – At 9:02 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. **AGENDA APPROVAL**
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail). Commissioner Kosche moved to approve the Consent Items A through I. Commissioner Stevens seconded the Motion. The Motion passed unanimously.

	<b>AMOUNT</b>	<b>CHECK #'s</b>
A. Minutes: April 16		
B. Lien Placements (0)	NA	
Lien Releases (0)	NA	
C. Investments	\$718,883.64	
Withdrawals	\$636,839.93	
Transfers	\$29,963.51	
D. Payroll	NA	
E. 40 – Maintenance	\$131,010.63	5295-5335 & EFT 108
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	NA	
I. 60 – PWTF Principle & Interest Payment	NA	

5. **PUBLIC FORUM** Brent Kirk stated that he put in seven years on the board of commissioners, been through many structural changes, and that the District is millions of dollars in the green now, compared to the beginning of his time as a commissioner. He had another commissioner helping during the hard time when Darwin left. Brent stated the vote of the people should fill empty commissioner seat. One person present today won 48% of vote in the last election and was the best asset he had with him when things were rough. Brent added this person is knowledgeable of current issues at play.
6. **OLD BUSINESS**
  - A. Evaluation of Merger – Tonya Christoffersen reported the assumption agreement is not complete, but to be completed with review by Brad Cattle, Pam Stevens, Mayor John Spencer, Gene Brazel, Eric Durpos, and Grant Weed on May 22, at 10:00am.
7. **NEW BUSINESS**
  - A. Forecast for Financial Actuals for 2015 through 2017 – Tonya Christoffersen reported there were some questions regarding going from couple hundred thousand dollars to a couple million dollars. Commissioner Kosche noted he was curious as to why there was such a discrepancy. Mickie Cooper looked at last 3 years and explained because forecast is always moving, District Staff

doesn't always know what is going to be in it. She explained they may budget more for a lift station and find out later that it does not need that money in reality. The weather also has an impact for explained a very wet March this year has impact. Mickie Cooper listed everything that had a \$10,000 difference between the budget and the budget forecast, the list in the agenda packet has this information. She added as a Special Purpose District, the District does not need to do a budget, only a budget forecast. Staff could do an O&M reserve with certain rules and policies to make the forecast tighter. Staff tries the best that they know, but everything is an assumption regarding future expenses. Commissioner Kosche would like 30 cells of data and wants to look back 4-5 months rather than 3 years. The District had thought they needed a rate increase but now does not. He would like a list of the top 10 items and would like the data extracted from list Mickie generated. Johnathan Dix added that Mickie Cooper has not plugged in "actuals" into forecast when submitted, and this has just been completed recently. Commissioner Kosche mentioned a Waterfall forecast monthly, to "true up" the forecast. Take monthly snapshots of the budget to view how the categories are matching up, it's not necessary to do this retroactively, but to do going forward. Commissioner Kosche added he would be happy to sit down with Mickie Cooper for this. Johnathan Dix noted the District may have something like that already.

- B. Engineering Services Contract Amendment No. 11 – Barry Baker notes a requirement of the District's NPDES permit is to complete a Mixing Zone Study, a characterization of the water that receives WWTP effluent. The District is discharging cleaner water than the receiving water but must still comply with permit requirements. Caitlin Hubbard noted this was a topic of the 2018 Water Week Fly-In to Washington D.C. and the PNCWA representatives spoke with members of the House of Representatives to ask for more science and common sense-based regulations rather than cookie-cutter style ones. The plan of study was approved by the Department of Ecology in January and this is next step; carrying out the plan of study. Sub-consultant Cosmopolitan Engineering Group will assist. Commissioner Kosche moved to approve Engineering Services Contract Amendment No. 11. Commissioner Stevens seconded the Motion. The Motion passed unanimously.
- C. Resolution No. 944: Amend Res No 923 Timing of Collections of District GFC's – Johnathan Dix explained this will repeal the "pay as you pull" resolution. He stated the market climate has changed to a point where this is not needed, and this takes up a lot of admin time. Commissioner Stevens asked if someone wants to pay as pull, what happens? Johnathan replied that all connection fees will be due up front as a lump sum. Commissioner Stevens asked haven't we changed this recently? Tonya Christoffersen added this is only for DEA's going forward. Commissioner Kosche moved to approve Resolution No. 944: Amend Res No 923 Timing of Collections of District GFC's. Commissioner Stevens seconded the Motion. The Motion passed unanimously.

## **8. MANAGERS' REPORTS**

- A. General Manager – see item B.
- B. Manager of Administration – Tonya Christoffersen reported that there are 4 Commissioner applications to review for later today. There was a correction concerning the upstairs tenant receiving a contract March 8 and the District does not have a correct signed contract with the tenant upstairs, and this will be an executive session topic. She added the board approved the contract 12/4/2017 and was given to Patrick McCourt for his client's signature.
- C. Treatment Plant – Casey Mullins reported plant flows of 3.5 MGD, says plant performance is improving, membrane recovery cleans complete, and staff are cleaning the plant grounds for spring.

D. Manager of Collections – Johnathan Dix reported the Collection Team has overcome challenges at the out of date lift stations with obsolete components of which City 8 is one of them. Paul Knight and Eric Echols discovered a potential problem with some commercial billings, finding an unaccounted for connection prior to the District taking the City sewer system. They helped to get ratepayer recorded properly in the system.

**9. CITY REPORT** – None.

**10. COMMISSIONERS' REPORT** – None.

**11. EXECUTIVE SESSION** – Brad Cattle stated that the Commissioners will recess into Executive Session at 9:28 AM to allow a 2-minute recess to excuse the general public; it is estimated that executive session may last up to 1 hour, concluding at 10:30 AM. The purpose of the Executive Session is to review Commissioner applications, Union negotiations and one contract in dispute. At the conclusion of the Executive Session there may be action taken by the Board of Commissioners.

At 10:29 AM the Executive session was concluded

Board meeting was reopened after executive session at 10:30 by Commissioner Stevens.

Johnathan Dix discussed the ongoing feasibility study of Costco and how it will not be done at the end of April as stated earlier in previous meetings.

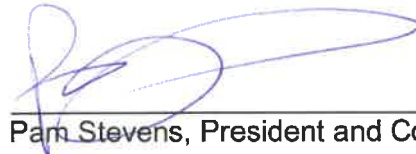
The Commissioners discussed the tenant contract and based on the tenant's request, they will amend the contract to reduce the monthly triple net from \$1,000 that was approved on December 4, 2017, to \$500 with the 'true-up' to happen quarterly. True up is due within thirty (30) days after the District bills the tenant. The Property Manager will go over each item of expenses tenant is responsible for and have tenant initial. This will be done at the same time the property manager reviews contract with tenant.

Tenant has ten (10) days to returned signed contract to Lake Stevens Sewer District. Brad Cattle is making the adjustments to the contract and will discuss with the property manager when complete. Commissioner Kosche moved to approve the Salon Michelle triple net change from \$1000.00 to \$500.00 per month with a "true-up" of all remaining costs quarterly due within 30 days of billing. Commissioner Stevens second the Motion. The Motion passed unanimously.

**12. CONCLUSION** – The Board Meeting was concluded at 10:30 AM.

Signed at a regular open public meeting this 10<sup>th</sup> day of May 2018

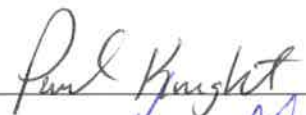

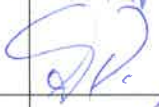




  
Pam Stevens, President and Commissioner

  
Kevin Kosche, Secretary 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				LSSD
Tom Howwell				
GARY PETERSHAGEN		COPY	425 918-1245	-
McCourt		self		
Michelle Bauman				
Tammy McCourt	