



1106 Vernon Road, Suite A
 Lake Stevens, WA 98258
 (425) 334-8588 Fax (425) 335-5947
 Website: www.lkstevenssewer.org

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

**MINUTES
 COMMISSIONER MEETING
 June 14, 2018 9:00 AM**

Attendees: Commissioners Pam Stevens and Kevin Kosche. District Staff: Johnathan Dix, Tara Bighouse and Casey Mullins. District Engineers: Leigh Nelson and Barry Baker, G& 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. **AGENDA APPROVAL** – Commissioner Kosche moved to approve the Agenda. Commissioner Stevens seconded the Motion. The Motion passed unanimously.
4. **APPOINTMENT OF COMMISSIONER** – Commissioner Kosche moved to approve Mariah Low as Sewer District Commissioner Position #2. Commissioner Stevens seconded the Motion. The Motion passed unanimously. Tonya Christoffersen inducted Mariah Low and conducted the Oath of Office.
5. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail). Commissioner Kosche moved to approve the Consent Items A through I. Commissioner Low seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: May 22 & 31		
B. Lien Placements (0)	NA	
Lien Releases (87)	NA	
C. Investments	\$1,100,177.42	
Withdrawals	\$1,318,385.69	
Transfers	\$23,791.74	
D. Payroll	\$174,179.13	
E. 40 – Maintenance	\$119,480.42	5410-5464
F. 48 – SRF Principle & Interest Payment	NA	
G. 50 – City of Lake Stevens Bond Payment	NA	
H. 58 – Capital Expenditures	NA	
I. 60 – P WTF Principle & Interest Payment	\$1,318,385.69	5465

- J. A & J DEA – Leigh Nelson showed the location on the map and explained it's just two lots. She stated it is recommended for approval. Commissioner Kosche moved to approve A & J DEA. Commissioner Low seconded the Motion. The Motion passed unanimously.
- K. Lakeview Springs East 10th Addendum to DEA – not here.
- L. Lakeview Springs West 10th Addendum to DEA – not here.
- M. Ebey View 2nd Addendum to DEA – not here.

6. **PUBLIC FORUM** – Mickie Cooper – Lake Stevens Sewer District – She asked the Commission why was the person with the least amount of experience chosen for Sewer District Commissioner. Commissioner Stevens stated she didn't believe Mariah has the least amount of experience, she interviewed well answering every question and did extensive research about the District as well as working for a government agency. Casey Mullins – Lake Stevens Sewer District – Casey gave a description of his qualifications and experience and stated in his experience and management training that employees are the most valuable asset. The District is run well with good working relationships

between management and staff. He referred to the recent article in the paper acknowledging it's not always true, but this sparks concern by some District employees making them believe unification with the City is not the best path at this present time noting the District does sewer well, stating we tend to not fix what is not broken.

7. OLD BUSINESS

- A. Evaluation of Merger – Tonya Christoffersen gave her sole opinion on this topic as she has spent quite a bit of time on how to address what is happening or not happening. After a sleepless night she felt it was important to outline the details of what is happening as it is expected to be presented to the Commissioners in July and in no way is it near ready. She stated last year a resolution was approved to look at accelerating the unification with the City. She made clear she believes Gene Brazel, City Administrator, has been great to work with and in no way does it reflect him. Tonya received from the City's attorney the fifth update of assumption agreement and feels it does not reflect the questions that Commissioner Kosche has asked, to outline the risks and benefits of the merger. They have met about six times and each time there is a different process to the pillars that the Commissioners had asked to address, and it is simply not being done to answer the questions the Commissioners have asked. She cannot allocate time and monies to each pillar with the assumption agreement outlined like it is. The staff assigned to these pillars are already busy enough and to add to this process and get things done in six months without respect to staff is not ok. The City has stated that the merger is about governance, but that is not true as they already have land use authority, then they state it is to streamline processes, if that was the case then why are they not trying to get the PUD to merge as well. Permits for power and water are just as much a process as sewer. Our communication is to be in line with one another for the citizens and at this point in time, neither of those reasons have merit. The benefits have simply never been defined and she does not believe there are any benefits to merge. We have very qualified employees who have careers here, that need to be a part of this process and know we have done all our due diligence to insure this is the best merger possible, especially with respect to the employees who rely on their employment here. We are not buying commercial real estate and to assume this process can be done in six months is disrespectful to the merger and to the staff who will have to do the work. She has been through mergers in her past work life and not opposed to merging but believes there is no benefit to this merger. She added Commissioner Kosche has previously stated this process is to look at the risks and benefits. The assumption agreement is looking at six months to merge and she believes there are no risks and benefits being presented and the due diligence is not being done. Commissioner Kosche commented on the last unification agreement he has received, and his interpretation is there is a time line in the agreement to figure out the necessary items as we go, however doesn't believe the agreement is ready as is and has spoken to Mayor Spencer who agreed this agreement isn't quite there as well and that is why he was hesitant to share this agreement. Commissioner Kosche added if the target of July isn't able to be met with the risks and benefits, then a third party needs to be brought in to help. Commissioner Stevens added the Commission agreed on an 80-20% and the agreement as is, is 20-80%. Commissioner Kosche stated he isn't going to hold to the July merger decision date without 80-20% in the agreement. Gene Brazel added the intent was not for anyone to feel that way. The updated document has addressed many of the concerns. The intent was to have a document to work from and everything can work from there. He thanked Tonya for the honesty.
- B. Purchase Bulk Oxygen Tanks – Johnathan Dix reminded the Commissioner about the bulk oxygen tank purchases previously discussed. He was able to get two quotes and the original quote of \$77,248.22 for both Lift Station 15 and 17 is the best price he received. Commissioner Kosche moved to approve the Purchase of the Bulk Oxygen Tanks for both Lift Stations 15 and 17 in the amount of 77,248.22. Commissioner Low seconded the Motion. The Motion passed unanimously.

- C. SR9/Highway 204 Discussion – Johnathan Dix explained the location of the District gravity line in front of LJ's to the Sewer District. He explained WSDOT wants to use the design and build method with a short timeline with bid in Spring 2019 and build Summer 2019. There is some conflict with their method. Leigh confirmed the cost is \$640,000. She explained the District pipe is on the East side of the road and would recommend going out to bid at the beginning of the year. Commissioner Stevens asked if the \$640,000 is budgeted for, Leigh Nelson stated there was a feasibility study and this falls in the middle of the range of options. Johnathan added this was not budgeted for, however he has not moved forward on capital projects with anticipation of this project. He and Leigh agreed along with several others at the table there is no reason to wait and would not have to go out to bid with the project and can be done separately. Johnathan added 204/91st was already established as the sewer line cannot be adjusted any further. Johnathan is asking the Commission to proceed with a scope of work for this project. Commissioner Kosche moved to approve moving forward on a Scope of work. Commissioner Low seconded the Motion. The Motion passed.

8. NEW BUSINESS – None

9. MANAGERS' REPORTS

- A. General Manager – see item B.
- B. Manager of Administration – Tonya Christoffersen reported she has received the contract for the tenant upstairs and it is not properly signed. The tenant is currently out of the country. Tonya is working with Patrick McCourt and they will be addressing the issues with the contract to get it properly signed. She is also looking into terminating the contract with the property management company since they are not doing their job.
- C. Manager of Collections – Johnathan Dix presented the Commission with a variance from the 30-day for final inspection process on the Refuge project. This will cause a hardship for the developer and is asked the Commission for the variance approval. Commissioner Stevens asked about the potential for other developments wanting the same variance. Johnathan responded he and G&O are updated the Developer standings and this is one of the items up for discussion. Johnathan doesn't believe there is a big risk but would like to see the lines air tested before issuing side sewer permits. Brad asked if there is an additional cost for air testing the lines, Johnathan replied yes. Commissioner Kosche moved to approve the approval of the variance waiving the 30-day wait period for the Refuge project.

Patrick McCourt added he is the representative for the developer and Land Pro is the contractor. He doesn't understand why or how there is a 30-day delay when they pay thousands of dollars for a District inspector to inspect the line as they go in to the District specifications. Barry Baker added he believes something may have happened in the past and this was a possible way to solve the issue. He has not seen this problem with the District but has had the pleasure of seeing similar issues with other entities and it becomes a huge expense and problem. Johnathan added sewer is the first utility to go in the ground, as well as the deepest underground utility and can cause potential problems.

- D. Treatment Plant– Casey Mullins reported the current flow at the treatment plant 2.5 mgd, which is normal plant flow for this time of the year. Plant performance is adequate and stable. There has been good progress on draining the old treatment plant.

- 10. CITY REPORT –** Gene Brazel reported Callow Road has received lift this week, the sidewalks are now in and there are 3 driveways that need fixed due to the elevation increase. He invited Tonya to the quarterly City meeting to help update everyone on what is going on to avoid the rumor mill, he invited the Commissioner to attend as well, the meeting is June 21st at 1pm.

11. COMMISSIONERS' REPORT – Commissioner Kosche attended the Section 3 meeting which was about culverts and he read his first supreme court ruling, which was interesting. Commissioner Steven stated she will be resigning as of the end of July. She will be moving with her family to Utah.

12. EXECUTIVE SESSION – Brad Cattle stated that the Commissioners will recess into Executive Session at 9:50 AM to allow for a 5 minutes recess to excuse the general public; it is estimated that executive session may last up to thirty minutes, concluding at 10:20 AM. The purpose of the Executive Session is to interview potential litigation matter and contract negotiations. G&O is asked to stay for the Executive Session. At the conclusion of the Executive Session no action will be taken by the Board of Commissioners.

At 10:20 AM the Executive Session was formally extended for an additional 10 minutes.


At 10:30 AM the Executive Session was formally extended for an additional 5 minutes.

The Commission concluded the Executive Session and discussion Commissioner availability for upcoming meeting.

13. CONCLUSION – The Board Meeting was concluded at 10:45 AM.

Signed at a regular open public meeting this 28th day of June 2018





Pam Stevens, President and Commissioner

Mariah Low, Commissioner



Kevin Kosche, Secretary and Commissioner