



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 OF SPECIAL MEETING BOARD OF COMMISSIONERS

**October 23, 2018
Utility Committee**

Attendees: Commissioners Dan Lorentzen, Mariah Low and Kevin Kosche; Administration Manager Tonya Christoffersen, Collections Manager Johnathan Dix, Mickie Cooper and Tara Bighouse. District Engineers Barry Baker, G&O.

Guests from the City of Lake Stevens: Councilmembers Kim Daughtry, Gary Petershagen and Marcus Tageant, Mayor John Spencer, City Administrator Gene Brazel and Kathy Pugh,

1. **Called to Order** at 4:00 PM by Commissioner Kosche. He moved into the meeting agenda item "Utility Committee Meeting". John Spencer moved to excuse Kim Daughtry, Gary Petershagen seconded the Motion. The Motion passed.
2. **Utility Committee Meeting**
 - A. **Approval of Meeting Minutes of September 25, 2018** – John Spencer moved to approve the September 25, 2018 minutes. Commissioner Low seconded the Motion. The Motion passed.
 - B. **Information Sharing Protocols and Standards** – Gene Brazel noted this is from the last meeting and based on Section 4.2 of the interlocal agreement. He added it includes everything that could be thought of and at no time is it final. He stated the goal is not to get into the daily workings of the District. Commissioner Low noted it read very one sided and they haven't had much time with it and would like to bring it back to the next meeting after taking the time to look it over more in depth. Commissioner Kosche took away from the last meeting this would be a collaborative meeting with both Gene and Tonya, he appreciates that Gene took it on and is glad to have a starting point. He reiterated from the last meeting; it makes complete sense to have meeting protocols and transparency and not leaning into daily operations; this document leans more on the operations side. He would like to have more of a collaboration with feedback from the Commission to Tonya and she can work with Gene on it after their input. His view on intent and if anything were to change is on best terms, it wouldn't be punitive or operations. Commissioner Lorentzen agreed and would like time to review and give feedback. Gene stated that works with him and wants everyone's input; its important.
 - C. **Continuation/Update on 2019 Sewer Rate Discussion** – Commissioner Kosche reported there has been a few meetings including the collaborative meeting with city council. He noted leaning toward not be more aggressive debt repayment and not use capital to pay it down. He added if the District doesn't increase rates there isn't an issue since the District

has historically been coming in under budget by approximately \$400,000. He added for example the Districts saving from the PUD for approximately \$90,000. Commissioner Low added that is what it is looking like now. Marcus added based on the previous discussion the District was looking at raising this year and thinks it should be kept at that with the District dipping into the rate stabilization fund. Tonya replied the District is not dipping in the rate stabilization fund. John Spencer noted it would be nice to see what it does to not raise the rate this year, waiting until next year. Not wanting to put the District into a situation; what if the ERUs don't come in, etc. Commissioner appreciated the feedback and agreed to keep everyone in the loop.

- D. Benefits/Risks of Unification Acceleration Subcommittee Planning** – John Spencer reported the District and City previously formed a work group, Tonya and Gene worked on a spreadsheet, Commissioner Kosche asked for a risks and benefits spreadsheet. That memorandum has been handed out. John believes the work group needs to be reconstituted and get together to move forward and brought back to the Utility Committee, where the ILA states it should be done. Getting it done meaning everyone looking it over and making decisions. John added it is one sided and created by the City. Commissioner Kosche suggested let's take it back and look it over this weekend since it was just received. Reconstituting the sub-committee and get it moving forward for November and naming the committee member's now. Commissioner Low agrees and supports the idea. John Spencer reiterated the City's subcommittee members names previously were Marcus, John and Gene. Marcus agreed to take it to the council tonight. Commissioner Lorentzen suggested for the District making it the District President, Secretary and Tonya. Discussion ensued regarding the best times to meet Kathy Pugh will collaborate with the group to get it scheduled. Gene spoke on the costs saving document he handed out. He pulled the District's 2017 Budget numbers from the website; stating this is a working document and not meaning any offence. Marcus reiterated the sub-committee and getting that moving forward.
- E. Other Timely Updates in the Spirit of Planning and Transparency** – Commissioner Kosche updated the committee on the upcoming Board meeting. They will be taking into consideration making the current acting General Manager to General Manager. Marcus asked the questions about not going out to bid for a General Manager. Commissioner Kosche replied from his perspective speaking to several people in the community, staff, etc. There has been a strong preference from staff and the record from going outside has not had the best impact. He stated his view Tonya has had a three-year job interview. He stated nothing changes around severance or benefits he just wants to make it transparent. Gary noted nothing changes just the title on her business cards. Commissioner Lorentzen added it's also difficult to go out to fill a position in an organization that has no guarantee of its outcome, prospectively he believes Tonya has done an excellent job and has the support of the staff. The Board would like to keep the least amount of disruptions. Tonya explained Gene Matt expressed having a difficulty and the degree of severance pay required to recruit a short-term general manager.

Next Utility Committee meeting is scheduled for November 27th at 4:00 PM and a Commission Planning meeting at 3:00 PM on the 27th.

3. **Conclude** – There being no further business, Commissioner Kosche concluded the Special Meeting at 4:26 PM

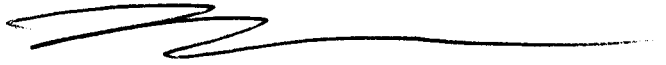
Signed at a regular open public meeting this 8th day of November 2018



Dan Lorentzen, Commissioner



Marian Low, Secretary and Commissioner



Kevin Kosche, President and Commissioner



**Utility Committee Meeting Minutes
October 23, 2018 4:00 pm**

City of Lake Stevens / Lake Stevens Sewer District
1106 Vernon Road, Suite A, Lake Stevens, Washington

1. **Called to Order:** 4:00 p.m. by Commissioner Kevin Kosche and Councilmember Marcus Tageant
2. **Roll Call:**
Attendees Representing the District: Commissioners Kevin Kosche, Mariah Low and Dan Lorentzen; Staff: Tonya Christoffersen, Jonathon Dix and Tara Bighouse

Attendees Representing the City of Lake Stevens: Councilmembers Marcus Tageant, Kim Daughtry and Gary Petershagen, Mayor John Spencer, City Administrator Gene Brazel; and City Clerk Kathy Pugh
3. **Action Items:**
 - a. **Approval of Meeting Minutes of September 25, 2018:** Moved by John Spencer, seconded by Mariah Low, to approve the September 25, 2018 meeting minutes. On vote the motion passed.
4. **Public Forum:** No comments.
5. **Discussion Items:**
 - a. **Information Sharing Protocols:** City Administrator Gene Brazel introduced the draft Information Sharing Protocols and said they are not intended to direct the daily operations of the Sewer District, but rather to guide this committee in moving forward under the Unification Agreement. He requested input from all so that the document can be finalized.

Discussion ensued and Kevin Kosche commented finalizing this document should be a collaborative effort and that it makes sense for the purposes of transparency and communication. He suggested that Gene Brazel and Tonya Christoffersen work together to finalize the document. There was consensus to consider the Information Sharing Protocols at the November 27th meeting.

- b. **Continuation/Update on 2019 Sewer Rate Discussion:** Kevin Kosche commented that the operating revenues have been reviewed and are equal to or greater than the operating expenses. He said that following analysis the District has determined they could postpone a rate increase to next year and look at a longer-range model.

Discussion ensued and Marcus Tageant encouraged that some increase be considered for 2019 as there are big things on the horizon in the coming year. John Spencer commented it is important to look at how rates need to be increased over time with growth.

- c. **Benefits/Risks of Unification Acceleration Subcommittee Planning:** John Spencer shared a draft memorandum distributed for discussion purposes on the benefits and risks of accelerating the Unification Agreement. He suggested the work group subcommittee be reconstituted to hammer out the details and get consensus on the benefits and risks, and then bring this work back to the Sewer Utility Committee. Following discussion there was consensus to reconstitute the work group; John Spencer, Marcus Tageant and Gene Brazel will participate from the City, and Mariah Low, Kevin Kosche and Tonya Christoffersen will participate from the Sewer District. Meetings will be twice a week through November 29th and the City will be responsible for scheduling those meetings.
- d. **Other Timely Updates in the Spirit of Planning/Transparency:** Kevin Kosche updated that Tonya Christoffersen has been the acting General Manager for over a year, and at the Board's upcoming meeting she will be confirmed as the General Manager for the Sewer District.

- 6. **Schedule the Next Meeting** – November 27, 2018 at 4:00 p.m.
- 7. **Adjourn** – Moved and seconded to adjourn the meeting at 4:29 p.m. On vote the motion carried unanimously.

2018 Utility Committee Chair:


John Spencer, Mayor
City of Lake Stevens